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UNITED STATES COURT OF APPEALS

FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 19,382

SECURITIES AND EXCHANGE COMMISSION,

Appellant,

v.

UNITED BENEFIT LIFE INSURANCE COMPANY,

Appellee.

JOINT APPENDIX

VOLUME II

United OF OMAHA

UNITED BENEFIT LIFE INSURANCE COMPANY

OMAHA, NEBRASKA
A STOCK COMPANY

FLEXIBLE FUND ANNUITY

Policy No.	SPECIMEN	
Annuity Income: $	6.30	monthly per $1,000.00 cash value under the option indicated.
Annuitant:	JOHN UBLIC	
Age at Issue:	35	
Date of Issue:	JUNE 1, 1964	
Premium:	$. 100.00 MONTHLY BSP	payable on the date of issue and a like amount in advance thereafter until the maturity date or until prior death of the Annuitant.
Maturity Date:	JUNE 1, 1994	
Age at Maturity:	65	
Annuity Option:	A	described in Section 27.

UNITED BENEFIT LIFE INSURANCE COMPANY agrees to pay to the Annuitant, beginning on the Maturity Date, a monthly Annuity Income in such amount as the then cash value of this policy as provided in Section 9 will purchase in accordance with Table 1.

If the Annuitant dies before the Maturity Date and while this policy is in force, the Company will pay to the beneficiary an amount equal to the then cash value of this policy, but in no event less than the sum of the premiums which have been paid hereon reduced by the amount of any Partial Withdrawals which have not been repaid. The beneficiary shall be the person or persons so named in the application or subsequently designated in accordance with the terms of this policy.

Prior to the Maturity Date, the value of this policy is not guaranteed other than as specifically provided herein, but will depend upon the investment experience of Flexible Fund A.

After the Maturity Date, the benefits payable hereunder will be fixed in amount, and will no longer depend on the investment experience of Flexible Fund A.

This contract, executed by the United Benefit Life Insurance Company on the date of issue set out above, includes the provisions on the following pages.

Grant P. Hammer
Secretary.

R. M. Langworth
President.

Annual Premium FLEXIBLE FUND Retirement Annuity.
Minimum Return Guaranteed on Death or Surrender Before Maturity.
Premiums Payable Until Maturity Date or Until Prior Death.
Nonparticipating.

Form 760—Series 114L
F.F.A. - 10-61

LS 17

PREMIUMS

1 - CONSIDERATION - The consideration for this policy is the application therefor and the payment of premiums in the amounts and at the times stated on the first page.

2 - MANNER OF PAYMENT - All premiums are due and payable in advance at the home office of the Company in the City of Omaha, Nebraska, or to an authorized agent on or before the date due, but in any case, only in exchange for the Company's receipt therefor, signed by the President, Vice-President, Secretary or Assistant Secretary of the Company and countersigned by such agent.

3 - DEFAULT - Failure to pay any premium when due shall constitute a default in premium payment and shall cause this policy to be null and void, except as herein provided.

4 - GRACE PERIOD - A grace period of thirty-one days will be granted for the payment of every premium after the first during which time this policy shall remain in force.

5 - REINSTATEMENT - At any time within three years after the due date of a premium in default, this policy, unless previously surrendered for its cash value, may be reinstated upon payment of arrears of premiums. Premiums so paid shall be credited to this policy when paid, in the manner provided in Sections 7 and 8.

FLEXIBLE FUND ACCOUNT

6 - This policy is issued under the authority of Nebraska Statutes providing for segregation in a special account of amounts paid and reserves held in connection with designated pension, retirement or profit sharing plans or annuities, and providing that income and gains or losses on such account may be credited to or charged against the amount allocated to such account in accordance with such contract, without regard to the other income, gains or losses of the Company. Such special account is herein referred to as the Flexible Fund A account.

NET PREMIUMS

7 - All net premiums on this policy shall be credited to the Flexible Fund A account. The net premium shall be such portion of each premium paid for respective policy years as is indicated by the following table:

First policy year	-	50.0%
Second through tenth policy years	-	90.5%
Eleventh and subsequent policy years	-	95.0%

POLICY VALUES

8 - The accumulated value of this policy at the end of any month from the issue date shall be the accumulated value as of the end of the previous month, increased by any net premiums and repayments of partial withdrawals credited as of the beginning of the month and decreased by any partial withdrawals during the month, multiplied by the Monthly Accumulation Rate as determined by the Company for such month on the basis hereinafter described.

The net premium portion of any premium received at the home office of the Company on or before the 10th day of the month shall be credited as of the first day of such month, and the net premium portion of any premium received after the 10th day shall be credited as of the first day of the following month.

Since accumulated values depend upon Accumulation Rates based on the investment experience of Flexible Fund A, such value at the end of any month may be less than such value at the end of the previous month.

NONFORFEITURE PROVISIONS

9 - CASH VALUE - At any time prior to commencement of Annuity Income, this policy may be surrendered and the Company will pay the cash value to the Annuitant. The cash value shall be the amount of accumulated value as of the last day of the previous month, increased by the net amount of any premiums paid and decreased by any partial withdrawals made during the current month, but not less than the following minimum amount.

The guaranteed minimum cash value shall be determined by applying the appropriate percentage from the following table to the sum of the net premiums which have been paid, and deducting from such resulting amount the amount of any partial withdrawals which have not been repaid.

Premiums paid for	1 full year	50%
" " "	2 " years	55%
" " "	3 full years	60%
" " "	4 " years	65%
" " "	5 " years	70%
" " "	6 " years	75%
" " "	7 " years	80%
" " "	8 " years	85%
" " "	9 " years	90%
" " "	10 or more years	100%

10 - PAID UP DEFERRED ANNUITY - If any premium on this policy remains unpaid at the end of the grace period, and the Annuitant has not requested payment of the cash value, the accumulated value shall be determined as provided in Section 8 until the Maturity Date, and then applied to purchase Annuity Income in accordance with Table 1 for the option selected.

ANNUAL REPORT

11 - At least once in each policy year after the first policy anniversary, the Company will mail, to the last known address of the Annuitant, a statement of the amount held in Flexible Fund A to the credit of this policy.

MONTHLY ACCUMULATION RATE

12 - Each month, the Company shall determine an accumulation rate for the month equal to 99.917% of the ratio of (a) to (b), where (a) and (b) are defined as follows:

(a) shall equal the market value of the assets in Flexible Fund A at the end of the month, increased by the amount of expenses and policy disbursements charged against such fund and decreased by the amount of net premiums credited to such fund during the month and by the month-end reserve for Company income taxes related to the fund.

(b) shall equal the market value at the end of the previous month of the assets in Flexible Fund A, less the reserve as of that date for Company income taxes related to the fund.

POLICY RESERVES

13 - Prior to the Maturity Date, the aggregate reserves for policies issued under Flexible Fund A shall be the sum of the cash values, increased by such contingency reserve as may be necessary to cover the minimum death benefit guarantee.

After the Maturity Date, the reserve shall be based on the 1937 Standard Annuity Table of Mortality rated down one year for males and six years for females, with interest at two and one-half per cent.

GENERAL PROVISIONS

14 - ENTIRE CONTRACT - This policy and the application, copy of which is attached to the policy when issued, constitute the entire contract between the parties hereto. All statements made by the Annuitant shall, in the absence of fraud, be deemed representations and not warranties and no statement made by the Annuitant or on his behalf shall avoid this policy unless it is contained in the written application therefor.

15 - MODIFICATION - No change or modification may be made, nor shall any forfeiture be waived or the date of payment of any premium be changed, except by agreement in writing signed by the President, Vice-President, Assistant Vice-President, Secretary or Assistant Secretary of the Company.

16 - INCONTESTABILITY - This policy shall be incontestable after it shall have been in force during the lifetime of the Annuitant for two years from its date of issue, except for nonpayment of premiums and except as to provisions and conditions, if any, relating to benefits in event of total and permanent disability.

17 - AGE AND SEX - If the age or sex of the Annuitant has been misstated, the income payable under this policy shall be the amount which the cash value will purchase at the correct age or sex. The Company may require proof of age before making annuity payments hereunder.

18 - POLICY YEARS - Anniversary dates and policy years shall be computed from the date of issue shown on the first page.

19 - OWNERSHIP AND CONTROL - If this policy was applied for by someone other than the Annuitant, such applicant may receive all benefits and exercise all rights which would otherwise have been available to the Annuitant hereunder.

20 - BENEFICIARY - The right to change the beneficiary is reserved by the Annuitant unless revocation of such right has been made in writing by the Annuitant and acknowledged by the Company. If the right to change has not been revoked, the Annuitant may change any beneficiary designation by written notice to the Company. Such change will become effective when acknowledged by the Company.

The interest of any revocable beneficiary shall be subject to the rights of any assignee. If any beneficiary dies before the Annuitant, the interest of such beneficiary shall vest in the Annuitant unless otherwise provided by endorsement hereon.

21 - ASSIGNMENT - No assignment of this policy shall be binding upon the Company until the original or a duplicate thereof is filed with the Company at its home office. The Company will not assume responsibility for the validity of any assignment.

22 - PARTIAL WITHDRAWALS - At any time after the accumulated value reaches $1,500.00 and prior to the commencement of the Annuity Income, upon furnishing proper written request and release, the Annuitant may withdraw from the accumulation hereunder any amount not less than $500.00 or more than the amount by which the then accumulated value provided in Section 8 exceeds $1,000.00. Any amount so withdrawn shall be deducted as set out in Section 8.

Any partial withdrawal may be repaid in whole or in installments of not less than $100.00 each, at any time within one year after the date of withdrawal and prior to commencement of Annuity Income. Any amount of repayment received at the home office of the Company on or before the 10th day of the month will be credited as of the first day of such month, and any repayment received after the 10th day will be credited as of the first day of the following month.

23 - DEFERMENT - The payment of a cash value, or the granting of a partial withdrawal other than for the payment of premiums, may be deferred, at the option of the Company, for a period not exceeding six months after the application therefor is made.

24 - PROOF OF DEATH - Immediately upon receipt at the home office of the Company of due proof that death of the Annuitant occurred while this policy was in force, the Company will pay, at its home office, the amount then due hereon.

OPTIONAL ANNUITY COMMENCEMENT DATES

25 - AT EARLIER AGE - On any policy anniversary prior to the Maturity Date, the Annuitant may, upon written request to the Company accompanied by the policy for endorsement, apply the then cash value of this policy to the purchase of an annuity beginning immediately in accordance with any one of the Optional Annuity Plans set out below.

26 - AT A LATER DATE - On or before the Maturity Date stated on the face of this policy, the Annuitant may change the Maturity Date to any subsequent policy anniversary not later than that nearest the 70th anniversary of his date of birth. On such Maturity Date, the cash value then accumulated shall be applied, at the Annuitant's then attained age, to purchase an Annuity Income in accordance with any one of the Optional Annuity Plans.

The cash value may, at the option of the Annuitant and upon surrender of the policy, be payable in one sum in lieu of being applied as above.

OPTIONAL ANNUITY PLANS

27 - The monthly Annuity Payment for each $1,000.00 of cash value available at the time such payments are to commence shall be that specified in Table 1 for the option indicated on the face of this policy, or subsequently elected in writing by the Annuitant, and for the sex and then attained age of the Annuitant.

If, on the date specified for the annuity payments to begin, the amount of each monthly payment would be less than $25.00, the Company shall not be required to make such annuity payments, but may, at its option, pay in one sum the cash value hereof.

The Company reserves the right to require proof of survival of the Annuitant before making any payment which is contingent upon his being alive on the date such payment is due.

Option A. Life Annuity, 120 months guaranteed - Equal monthly payments shall be made for a minimum guaranteed period of 120 months and for as long thereafter as the Annuitant lives. If the Annuitant dies before annuity payments have been made for the said minimum period, annuity payments will be continued for the remainder of said minimum period to the beneficiary.

Option B. Life Annuity - Equal monthly payments shall be made for the life of the Annuitant, and shall terminate with the last payment preceding death of the Annuitant.

Option C. Installment Refund Annuity - Equal monthly payments shall be made for the life of the Annuitant with a minimum guarantee that should the Annuitant die before the sum of all annuity payments made equals or exceeds the cash value applied to the purchase thereof, the annuity payments will be continued thereafter to the beneficiary until the sum of all annuity payments made to the Annuitant and beneficiary equals such cash value.

TABLE 1

Table of Annuity Options

Monthly Annuity Payment under Annuity Options for each $1,000.00 of cash value available on date annuity payments begin.

Attained Age Male	Attained Age Female	Option A Life Annuity with 120 Months Certain	Option B Life Annuity	Option C Installment Refund Annuity
	35	$3.26	$3.27	$3.17
	36	3.30	3.31	3.20
	37	3.34	3.36	3.24
	38	3.39	3.41	3.28
	39	3.43	3.45	3.32
35	40	3.48	3.50	3.36
36	41	3.53	3.56	3.40
37	42	3.59	3.61	3.44
38	43	3.64	3.67	3.49
39	44	3.70	3.73	3.53
40	45	3.76	3.79	3.58
41	46	3.82	3.86	3.63
42	47	3.88	3.93	3.68
43	48	3.95	4.00	3.74
44	49	4.02	4.08	3.80
45	50	4.09	4.15	3.85
46	51	4.17	4.24	3.91
47	52	4.25	4.33	3.98
48	53	4.33	4.42	4.04
49	54	4.42	4.51	4.11
50	55	$4.50	$4.61	$4.18
51	56	4.60	4.72	4.26
52	57	4.69	4.83	4.33
53	58	4.79	4.95	4.42
54	59	4.90	5.07	4.50
55	60	5.01	5.20	4.59
56	61	5.12	5.34	4.68
57	62	5.23	5.48	4.77
58	63	5.35	5.64	4.87
59	64	5.48	5.80	4.98
60	65	5.61	5.97	5.08
61	66	5.74	6.15	5.20
62	67	5.87	6.34	5.31
63	68	6.01	6.54	5.44
64	69	6.16	6.75	5.57
65	70	6.30	6.97	5.70
66		6.45	7.21	5.84
67		6.60	7.46	5.99
68		6.76	7.73	6.14
69		6.91	8.02	6.31
70		7.07	8.32	6.48

Attained age refers to age of Annuitant on birthday nearest to that contract anniversary on which such elected annuity shall begin.

OPTIONAL METHODS OF SETTLEMENT

ELECTION BY THE ANNUITANT—At any time, by written request to the Company and subject to all the terms and conditions hereof, the Annuitant may direct that the proceeds of this policy on death of the Annuitant, in lieu of being paid in one sum, be paid under one of the Optional Methods of Settlement designated below or in such other manner as may be mutually agreed upon in writing between the Annuitant and the Company.

Such designation and agreement shall be effective only when accepted by the Company by endorsement hereon. The Annuitant may at any time revoke such designation and agreement by written request to the Company, such revocation to take effect only when acknowledged by the Company.

If no beneficiary survives the Annuitant, or if any change of beneficiary is made subsequent to the election of an Optional Method of Settlement, such election shall be automatically revoked.

Option 1—Proceeds on Deposit at Interest— Such proceeds may be left on deposit with the Company for such period as may be elected, not to exceed thirty years nor for a longer period than the lifetime of the beneficiary. Annually while the proceeds are on deposit the Company will pay interest thereon to the beneficiary at a guaranteed rate of two and one-half per cent per annum, and at the end of said period will pay the amount then on deposit in the manner set out in the endorsement.

Option 2—Income of a Specified Amount— Such proceeds plus interest at a guaranteed rate of two and one-half per cent per annum on the successive unpaid balances thereof, may be applied to the payment of an annual, semiannual, quarterly or monthly income of a specified amount until the proceeds so applied are exhausted; provided, however, that the aggregate amount of income payable each year shall not be less than $50 for each $1000 so applied.

Option 3—Income for a Specified Period—Such proceeds may be applied to the payment of an annual, semiannual, quarterly or monthly income for such fixed period as may be elected, but not exceeding thirty years. The amount of such income payment shall be that shown in Table A for the fixed period elected. Said income payments are based upon a guaranteed rate of interest of two and one-half per cent per annum, which interest is included in the amounts shown in the table.

Option 4—Income for a Guaranteed Minimum Period and Life Thereafter—Such proceeds may be applied to the payment of a monthly income for a period of ten, ~~fifteen~~ or twenty years certain as may be elected, and for as long thereafter as the beneficiary shall live. The amount of such monthly income payment shall be that shown in Table B for the sex and age of the beneficiary, nearest birthday, at the time the first payment becomes due. Said income payments are based upon a guaranteed rate of interest of two and one-half per cent per annum, which interest is included in the amounts shown in the table. The income under this option instead of being paid monthly may be paid in equivalent annual, semiannual or quarterly payments determined by multiplying the corresponding monthly payments in Table B by 11.865 for the annual payment, by 5.969 for the semiannual payment, and by 2.994 for the quarterly payment.

ELECTION BY BENEFICIARY—If at the time of death of the Annuitant, the proceeds become payable to the beneficiary in one sum, the Annuitant having made no direction for any other manner of payment, the beneficiary may then elect to have the proceeds paid under any one of the foregoing options.

GENERAL CONDITIONS—Unless otherwise specified in the endorsement of an Optional Method of Settlement, the following provisions shall apply:

Payments under Options 2, 3 and 4 when elected by the Insured shall commence as of the date of death of the Insured, subject to receipt, at the Company's home office, of due proof thereof.

If, after the proceeds have been applied under any option, the last surviving beneficiary shall die before all payments provided for herein have been made, any amount then remaining on deposit with the Company under Options 1 or 2, or the commuted value of any unpaid installments certain under Options 3 or 4 at the rate of interest specified in the options, will be paid in one sum to the estate of such last surviving beneficiary.

OPTIONAL METHODS OF SETTLEMENT (Continued)

If the net amount of policy proceeds applied for the benefit of any one beneficiary under any one option is less than $1,000.00, the Company shall have the right to pay such net amount immediately in one sum to the beneficiary designated to receive the first payment on account thereof, in lieu of making payment in the manner provided in said option.

If the periodical payment to any one payee would be less than $25.00, the Company shall have the right to defer such periodical payments until the amount due is not less than $25.00.

The beneficiary shall not have the right to withdraw, assign, anticipate or commute any sum payable under an option elected by the Annuitant unless such right has been therein provided by the Annuitant and approved by the Company.

The amount retained by the Company under any option shall be and remain a part of the general funds of the Company without any requirement of segregation or separate investment.

These options may not be elected for the benefit of a corporation, partnership, association, trustee, executor, administrator, or other fiduciary, or by an assignee, except with the approval of the Company.

TABLE A—OPTION 3
Income Payments per $1,000 Applied

Fixed Period of Years Elected	Amount of Each Income Payment If Payable Annually	If Payable Semiannually	If Payable Quarterly	If Payable Monthly
1	$1000.00	$503.09	$252.32	$84.28
2	506.17	254.65	127.72	42.66
3	341.60	171.85	86.19	28.79
4	259.33	130.47	65.43	21.86
5	210.00	105.65	52.99	17.70
6	177.12	89.11	44.69	14.93
7	153.65	77.30	38.77	12.95
8	136.07	68.46	34.33	11.47
9	122.40	61.58	30.88	10.32
10	111.47	56.08	28.13	9.39
11	102.54	51.59	25.87	8.64
12	95.11	47.85	24.00	8.02
13	88.83	44.69	22.41	7.49
14	$83.45	$41.98	$21.06	$7.03
15	78.80	39.64	19.88	6.64
16	74.73	37.60	18.86	6.30
17	71.15	35.79	17.95	6.00
18	67.97	34.19	17.15	5.73
19	65.13	32.77	16.43	5.49
20	62.58	31.48	15.79	5.27
21	60.28	30.33	15.21	5.08
22	58.19	29.27	14.68	4.90
23	56.29	28.32	14.20	4.74
24	54.55	27.44	13.76	4.60
25	52.95	26.64	13.36	4.46
30	46.61	23.45	11.76	3.93

TABLE B—OPTION 4
Monthly Income Payments per $1,000 Applied

Attained Age of Payee nearest birthday when first Payment Due		Monthly Life Income		
Male	Female	10 yrs. certain	15 yrs. certain	20 yrs. certain
	15*	2.71	2.70	2.70
	16	2.73	2.72	2.71
	17	2.74	2.74	2.73
	18	2.76	2.76	2.75
	19	2.78	2.78	2.77
15*	20	2.81	2.80	2.79
16	21	2.83	2.82	2.81
17	22	2.85	2.84	2.84
18	23	2.88	2.87	2.86
19	24	2.90	2.89	2.88
20	25	2.93	2.92	2.91
21	26	2.95	2.95	2.93
22	27	2.98	2.97	2.96
23	28	3.01	3.00	2.99
24	29	3.04	3.03	3.02
25	30	3.08	3.07	3.05
26	31	3.11	3.10	3.08
27	32	3.14	3.13	3.11
28	33	3.18	3.17	3.15
29	34	3.22	3.20	3.18
30	35	3.26	3.24	3.22
31	36	3.30	3.28	3.25
32	37	3.34	3.32	3.29
33	38	3.39	3.36	3.33
34	39	3.43	3.41	3.37
35	40	3.48	3.45	3.41
36	41	3.53	3.50	3.45
37	42	3.59	3.55	3.50
38	43	3.64	3.60	3.54
39	44	3.70	3.65	3.59
40	45	3.76	3.71	3.64
41	46	3.82	3.77	3.69
42	47	3.88	3.82	3.74
43	48	3.95	3.88	3.79
44	49	4.02	3.95	3.84
45	50	4.09	4.01	3.90
46	51	4.17	4.08	3.95
47	52	4.25	4.15	4.01
48	53	4.33	4.22	4.07
49	54	4.42	4.29	4.12
50	55	4.50	4.37	4.18
51	56	4.60	4.44	4.24
52	57	4.69	4.52	4.30
53	58	4.79	4.60	4.36
54	59	4.90	4.69	4.41
55	60	5.01	4.77	4.47
56	61	5.12	4.86	4.53
57	62	5.23	4.94	4.59
58	63	5.35	5.03	4.64
59	64	5.48	5.12	4.70
60	65	5.61	5.21	4.75
61	66	5.74	5.30	4.80
62	67	5.87	5.39	4.85
63	68	6.01	5.48	4.90
64	69	6.16	5.56	4.94
65	70	6.30	5.65	4.98
66	71	6.45	5.73	5.02
67	72	6.60	5.82	5.05
68	73	6.76	5.90	5.09
69	74	6.91	5.97	5.12
70	75	7.07	6.05	5.14
71	76	7.23	6.12	5.17
72	77	7.38	6.18	5.19
73	78	7.54	6.24	5.20
74	79	7.69	6.30	5.22
75	80	7.84	6.35	5.23
76	81	7.98	6.39	5.24
77	82	8.13	6.43	5.25
78	83	8.26	6.47	5.26
79	84	8.39	6.50	5.26
80	85	8.51	6.53	5.27
81	and over	8.63	6.55	5.27
82		8.73	6.57	5.27
83		8.83	6.59	5.27
84		8.92	6.60	5.27
85 and over		9.00	6.61	5.27

*Ages under 15 same as Age 15.

Application to the UNITED BENEFIT LIFE INSURANCE COMPANY for a Flexible Fund Annuity

Section A. The Proposed Annuitant

1. Full name — First: John — Middle: — Last: Ublic
2. Residence address: 1234 State Street
   City: Omaha — State: Nebraska
3. Occupation: Attorney
4. Place of birth: Nebraska
5. Sex: Male
6. Birth date: 3-30-29
7. Age: 35
8. Marital status: Married
9. Former addresses over last two years:
10. Name and address of employer: Self-employed

Section B. The Annuity

1. Maturity date or age: June 1, 1994
2. Annuity option: A
3. Mode of premium payment
   Annually ☐ Semiannual ☐
   Quarterly ☐ BSP ☒
4. Amount of premium
   $ 100.00

Section C. The Beneficiary

Name and relationship of beneficiary. (The right to change the beneficiary is reserved.)

Mary Ublic, wife

Section D. Remarks

This space reserved for Home Office use.

I declare that the answers in this application are, to the best of my knowledge, true and complete, and agree that:

1. The Company is not bound by any statements made by or to any agent unless such statements are written in this application.
2. I have been furnished with, and have read, the brochure describing the Flexible Fund Annuity.
3. I understand that the growth of the fund arising from my deposits is not guaranteed, but will depend upon the investment results of the securities purchased for this segregated fund.
4. If the applicant is other than the proposed annuitant, any policy issued on the basis of this application shall be owned by the applicant.

I have paid $_____ premium with this application. Date June 1, 1964.

Signed at Omaha, Nebraska

General Agent

Witness (Soliciting Agent)

Proposed Annuitant

Applicant (If other than Proposed Annuitant)

No. 2047 Agent's Number

Annual Premium FLEXIBLE FUND Retirement Annuity.
Minimum Return Guaranteed on Death or Surrender Before Maturity.
Premiums Payable Until Maturity Date or Until Prior Death.
Nonparticipating.

United **OF OMAHA**

HOME OFFICE — OMAHA, NEBRASKA

THIS POLICY IS ONE OF YOUR MOST VALUABLE POSSESSIONS.
WHEN SOMEONE IS COUNTING ON YOU, YOU
CAN COUNT ON THIS POLICY. ANY TIME WE
CAN BE OF SERVICE TO YOU, PLEASE LET US KNOW.

FLEXIBLE FUND ANNUITY

United OF OMAHA

N. M. Longworth, President
United of Omaha

You now have the opportunity to participate in a savings and retirement plan never before offered by any company.

The Flexible Fund Annuity is unique because it combines the *opportunity* to share in the growth of our economy with the traditional *guarantees* inherent in life insurance policies.

Your savings are invested in common stocks, as well as in bonds and other guaranteed interest investments.

These securities, particularly the common stocks, provide the growth factor so important to you during your "savings years." Of course, we cannot guarantee that the value of the stock will grow. That depends on the companies selected, the general economy, and many other factors. But the investments for the Fund are selected for quality and growth potential and with the care traditional to the life insurance business.

And most important, your Flexible Fund Annuity has certain guaranteed values similar to other life insurance policies. These guarantees protect your savings against wide fluctuations in the value of the securities. Add to this the option of a guaranteed annuity at retirement and you have a savings and retirement plan with growth potential and security.

The Flexible Fund Annuity has been developed after thorough study and will, we believe, prove an ideal plan for those who wish the opportunity for substantial growth in their savings and still be protected from serious long-term loss.

N. M. Longworth

This brochure has been prepared to help give a complete understanding of the Flexible Fund Annuity. No representations regarding the Flexible Fund Annuity other than those contained in this brochure and in the policy should be relied upon as having been authorized by the Company.

A New Approach to Financial Security

Experts say three steps are necessary to build a balanced and adequate estate. They are (1) save, (2) insure, (3) invest, and in that order. Usually, a person sets out to accomplish each of these objectives one at a time, but seldom gets past one of the three. There are many possible reasons for this failure, but usually it comes from lack of planning, knowledge, or time. Now, a new idea has been developed that combines these three essential steps into *one simple plan!*

What is the FLEXIBLE FUND ANNUITY?

United of Omaha's Flexible Fund Annuity features a method of accumulation modernized to keep pace with today's living. Net premiums go into a separate fund which can be invested largely in common stocks. Thus, it gives the policyowners the opportunity for a greater return on the accumulated deposits and a chance to share in the growth of the country's economy.

The Flexible Fund Annuity combines this new method of accumulation with the time-tested advantages of a lifetime annuity. An annuity *available only through life insurance companies,* is basically a savings and accumulation plan that guarantees a lifetime income at maturity. Special advantages of an annuity found in the Flexible Fund Annuity are:

1. GUARANTEED MINIMUM VALUES

While the policyowners will share in any growth of the Fund, guaranteed minimum values offer protection against serious long-term loss.

2. LIFETIME INCOME OF A FIXED AMOUNT

The Flexible Fund Annuity has the additional attraction of guaranteeing at maturity an income of a fixed amount that *can never be reduced nor outlived.* The value of this policy will fluctuate during the premium-paying period as the economy of the country fluctuates; however once the retirement income feature begins, future fluctuations of the economy will have no effect upon it.

How does the FLEXIBLE FUND ANNUITY work?

NET PREMIUMS

Sales and service charges are deducted from the premiums paid for the Flexible Fund Annuity. The balance is called a net premium. Net premiums will be credited to a "Flexible Fund" account separate from all other assets of the company. Net premiums for this policy are defined as:

First policy year:	50% of regular policy premiums
Second through 10th policy years:	90.5% of regular policy premiums
11th and subsequent policy years:	95% of regular policy premiums

Since most of the sales and service charges are deducted from early payments, stopping the plan soon after starting could result in a loss. Over a 25-year period, however, the net premiums will be 91.58% of the total policy premiums.

PREMIUM ACCUMULATION

Net premiums are accumulated monthly at a rate determined by the experience of the Fund, including interest, dividends, and changes in market value. After allowance for Company income taxes, a monthly charge of only *83/1000 of 1%* of the Fund is made to provide for investment management and mortality costs.

Once a year after the first policy anniversary, a statement will be mailed to each policyowner showing the investment results of the Fund and the amount accumulated to the credit of his policy.

UNPAID PREMIUMS

Unpaid premiums may be paid within three years provided the policy has not been previously turned in for cash.

PARTIAL WITHDRAWALS

Occasionally, a policyowner might need cash for emergencies. Accordingly, partial withdrawals from his policy may be made. Repayments of such withdrawals can be made anytime within one year after the date of withdrawal. The money withdrawn will not participate in the Fund until it is repaid; however, no interest will be charged.

Greater Potential Return
with Protection Against Loss!

Guaranteed Minimum Values

Regardless of the performance of the Fund, *guaranteed minimum values* are provided in each policy. After premiums have been paid for 10 years, the Company guarantees a minimum value equal to the sum of the net premiums. If premiums have been paid for less than 10 years, the minimum value is a graded increasing percentage of the net premiums.

DEATH BENEFIT

In the event of death before the maturity date, the Company will pay as a death benefit to the beneficiary either the accumulated value of the policy or the total of all regular policy premiums paid, whichever is the larger.

This money can be paid as a single sum payment or, if so desired, in other ways, such as interest payments, monthly installments, or a lifetime income.

Guaranteed Annuity at Maturity

At maturity, or earlier, a guaranteed lifetime income can be selected. The policyowner can choose how this lifetime income will be paid to him from the following three options:

Option A: *Monthly income for life*—if the policyowner should die before 120 monthly payments have been made to him, the balance of the 120 payments will be continued to his beneficiary.

Option B: *Monthly income for life* — with no guaranteed minimum number of monthly payments.

Option C: *Monthly income for life*—if the policyowner should die before the total of the monthly payments made to him equals the cash value of his policy at maturity, payments will be continued to his beneficiary until the total equals such cash value.

The amount of monthly income will vary according to the option chosen.

How Are the Investments Handled?

INVESTMENT MANAGEMENT

Management of the Flexible Fund is the responsibility of United of Omaha's Board of Directors and Investment Committee. The Investment Committee consists of professional investment men who for years have had the responsibility for the investment of millions of dollars of the Company's assets. The Board and Committee use the research and advisory services of the finest investment specialists in the country. Authorization and purchase of selected securities are approved by the Investment Committee and the Board of Directors in the same manner as all other investments made by the Company.

Ownership of a Flexible Fund Annuity gives you the Benefit of full-time professional investment management

INVESTMENT POLICY

The investment policy applied to the Flexible Fund is based on a proper balance of growth and stability — safety and income. The over-all philosophy is to provide maximum return — combining value and income — with maximum safety.

It is our policy to invest as much as possible in common stocks consistent with the above philosophy; that is, the major part in common stocks and the smaller part in fixed rate investments. The ratio of common stocks to total investments may increase or decrease from time to time as conditions dictate.

The common stocks purchased are chosen for high quality with emphasis on those having strong potential for long-term growth in earnings and values.

Investment management for the Flexible Fund adheres to these sound investment principles and methods:

1. **All investments for the Fund are limited to those which qualify under Nebraska State Law for life insurance company investment.**
2. **Investments are diversified among different companies and industries.**
3. **Funds are kept fully invested. "Dollar cost averaging" principles are applied, thus giving diversification over time.**
4. **No purchases are made on margin.**
5. **Investments in the Fund are continually reviewed and changed when desirable or necessary.**
6. **Purchases and sales of investments are made only to carry out the long-range investment program of the Flexible Fund and not for trading purposes or speculation.**

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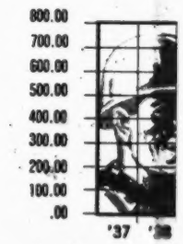

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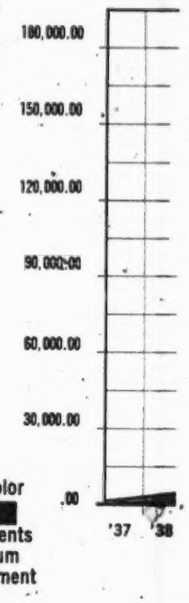

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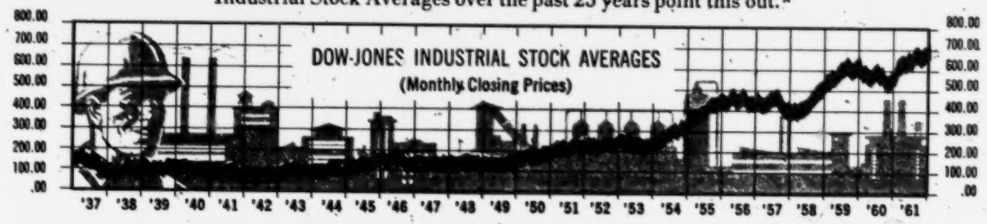
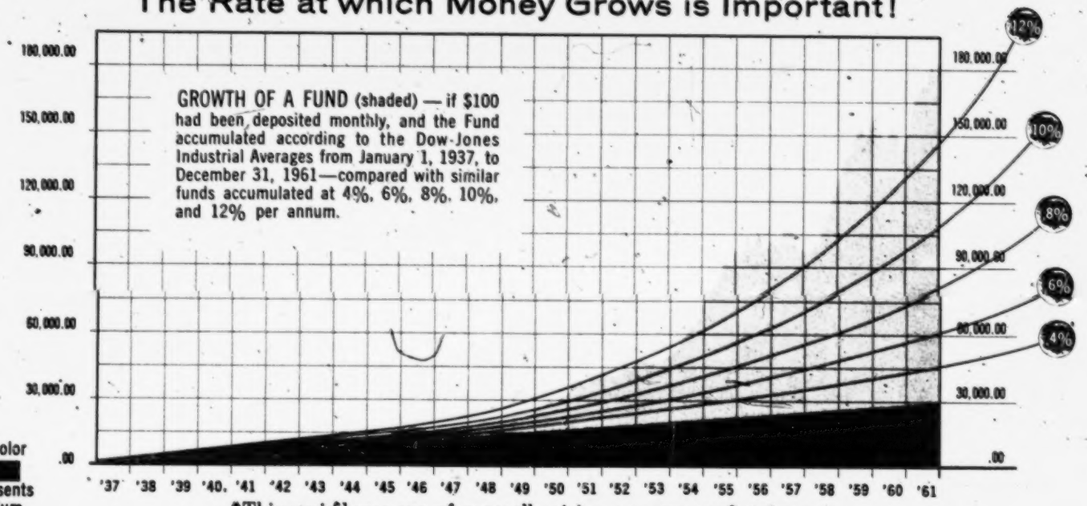
What has been the History of Common Stock Investments?

Almost everyone has been aware of the upward trend of the stock market in recent times. These charts of the Dow-Jones Industrial Stock Averages over the past 25 years point this out.*



The Rate at which Money Grows is Important!



*This period was one of generally rising common stock prices. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from investments made today.

WHAT IF STOCK VALUES GO DOWN?

While the long-term trend of the stock market and of the country's economy in general has been upward, periodic downward trends must be recognized. It is possible for the accumulated value of a Flexible Fund Annuity to go down as well as up. (This would be tempered, of course, by the accumulation of compounded investment income.) To lessen the impact of any unusual, prolonged downward trend of the stock market, United of Omaha guarantees that after premiums have been paid for 10 full years *the value of a Flexible Fund Annuity policy can never be less than the sum of the net premiums invested in the fund.*

While the Flexible Fund Annuity is designed as a long-term accumulation plan, circumstances will occasionally arise whereby a policyowner will stop his plan before the maturity date. Regardless of the value of the fund at that time, United of Omaha guarantees that the value of his policy can never be less than the following percentages of the *net premiums:*

PREMIUMS PAID FOR	
one full year	50%
two full years	55%
three full years	60%
four full years	65%
five full years	70%
six full years	75%
seven full years	80%
eight full years	85%
nine full years	90%
ten full years	100%

Why is it so Important that this be a LONG RANGE PLAN ? ? ?

TIME

is necessary to get the full benefit from:

1. "Dollar cost averaging" principles
2. Compounding interest and dividends
3. Long-term growth of the economy

WHAT IS "DOLLAR COST AVERAGING" ?

This is simply a method of investing that has been practiced for many years by experienced professional investors to help get the best results from long-term trends in the stock market. It consists of continuously investing at regular intervals over a reasonably long period the *same amount of money* in common stocks *regardless of price levels.* Some stocks will be purchased at lower prices and some at higher prices. Since the same number of dollars will always be invested, more shares will be received when they cost less and fewer shares when they cost more. The over-all result will be that the average cost a share will be lower than the average of all the prices at which the shares were purchased.

Your regular premium payments for the Flexible Fund Annuity make "Dollar cost averaging" principles work for you.

this is the first policy of its kind to be issued by any company!

How Can You Select a Lifetime Income at Maturity?

You have the guaranteed right at maturity, or earlier, to select one of three lifetime income plans. (In fact, we ask that you make an initial selection at the time you start your plan.) The values of these plans *can never be reduced* despite the fact that people may be living longer at the time you may wish to start your retirement program.

The following examples show the guaranteed monthly income at age 65 for *each $10,000* of accumulated cash value at maturity:

	Male Policy-owner	Female Policy-owner
Option A — Monthly Income for life (120 months guaranteed)	$63.00	$56.10
Option B — Monthly Income for life (no guarantee)	$69.70	$59.70
Option C — Monthly Income for life (cash value guaranteed)	$57.00	$50.80

What is the Federal Income Tax Situation* for the owner of a Flexible Fund Annuity?

Because capital gains, as well as earnings, are retained in the Fund, there is *no tax* to the policyowner during the accumulation period. However, if the policy is turned in for its cash value, any excess of such value over the total amount of regular policy premiums paid will be taxed as ordinary income. In the event the policyowner should die prior to the maturity date, there is no income tax on the money paid the beneficiary until that amount exceeds the sum of the premiums paid; then the excess would be includable in the beneficiary's gross income.

At maturity the ratio of the regular premiums paid for this policy to the total expected return is calculated. Only the excess of each annuity payment over the excludable amount so determined is taxable income. Under usual circumstances the owner of a Flexible Fund Annuity is in a reduced tax bracket after retirement and has a double exemption after age 65, so taxes on his annuity should be very low.

*Based on present tax laws.

Age Limits

The maximum age for beginning the plan is 60 years. There is no minimum age limit.

Premium Payment

Deposits may be made on an annual, semiannual, or quarterly basis. Regular notices act as a reminder when deposits are due.

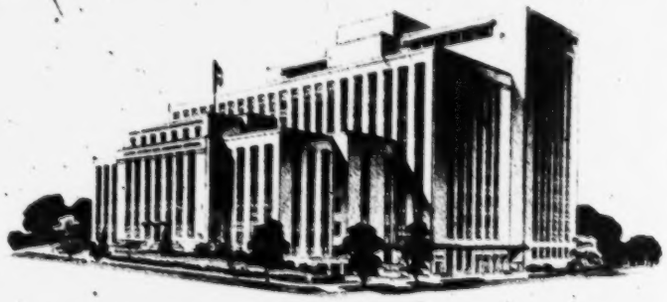
For additional convenience, deposits can be made automatically each month through United of Omaha's Bank Service Plan.

The minimum deposit is $300 a year, or $25 a month. The maximum is $6,000 a year, or $500 a month.

Optional Maturity Date

The minimum period of accumulation is ten years. After 10 years, the policyowner may choose either an earlier, or later, maturity date than initially selected. However, the maturity date can never be changed to a date later than the policy anniversary nearest the policyowner's 70th birthday.

Who Stands Behind the Flexible Fund Annuity?



Home Office • United Benefit Life Insurance Company

The Flexible Fund Annuity is backed by the reputation and the resources of United of Omaha, one of the fastest growing major life insurance companies in the country. Incorporated in the State of Nebraska in 1926, United of Omaha has grown to over two and one-half billion dollars of insurance in force with assets in excess of $400,000,000. It was recently listed in Fortune Magazine as the 16th largest stock life insurance company in the United States.

The well-known authority of the insurance industry, Alfred M. Best Company, Inc., gives United of Omaha top rating for financial stability.

PLAINTIFF'S EXHIBIT NO. 5
(pp. 1, 3, 4, 9, 16)

A STRONG AND RESPECTED COMPANY STANDS BEHIND THIS *DYNAMIC PLAN!*

Home Office — Omaha, Nebraska

UNITED OF OMAHA

A MAJOR FINANCIAL INSTITUTION. ONE OF THE FASTEST GROWING LIFE INSURANCE COMPANIES IN THE WORLD. RANKS IN THE TOP 4% OF ALL LIFE INSURANCE COMPANIES. OVER $2,500,000,000 IN-SURANCE IN FORCE. ASSETS OF OVER $400,000,000.

OF ITS FINANCIAL STABILITY:

Standard Analytical Service Insurance Report, in comparing United with the 25 largest companies, says: "The comparative analysis made . . . in our opinion is very favorable. . . . We believe it (United of Omaha) to be a reliable institution, and it warrants public confidence."

Best's Life Insurance Report says: "The results achieved by the company (United of Omaha) have been most favorable. In our opinion it has most substantial over-all margins for contingencies. We recommend this Company."

United **OF OMAHA has offices in principal cities throughout the United States, Canada, Puerto Rico, Panama, the Canal Zone and Europe.**

22

United OF OMAHA — *first with the*

The Flexible Fund Annuity provides features never before combined in a single plan.

1. OPPORTUNITY FOR GROWTH

a. Interest earnings compounded through reinvestment
b. Dividend earnings compounded through reinvestment
c. Appreciation in values

2. TAX ADVANTAGES

a. No personal income tax on your accumulations to maturity
b. Taxed as an annuity at retirement

3. TRADITIONAL LIFE INSURANCE GUARANTEES

a. Guaranteed minimum cash values
b. Guaranteed annuity income — an income that cannot be outlived
c. Guaranteed death benefit during accumulation period — return of premiums or accumulated values (whichever is greater)

IF YOU AGREE THIS IS THE BEST PLAN YOU HAVE EVER SEEN FOR ACCOMPLISHING YOUR LONG-RANGE MONEY OBJECTIVES, HOW MUCH COULD YOU SAVE EACH MONTH?

Monthly

☐ $25.00 ☐ $50.00 ☐ $100.00 ☐ $200.00 ☐ $_____

NOW...*LET'S SEE WHAT YOUR POTENTIAL IS:*

FFA INVESTMENTS

Listed below are stocks and bonds initially purchased for the Fund...

COMMON STOCKS

American Can
American Telephone & Telegraph
Armstrong Cork
Bristol-Myers
Commonwealth Edison (Illinois)
Dow Chemical
Du Pont (E. I.) de Nemours
Eastman Kodak
General Electric
General Foods
General Motors
Goodyear Tire & Rubber
Gulf Oil
International Business Machines
International Paper
Merck
Minneapolis-Honeywell Regulator
Minnesota Mining and Manufacturing
National Cash Register
Reynolds (R. J.) Tobacco
Sears, Roebuck
Southern California Edison
Standard Brands
Standard Oil of Indiana
Standard Oil of New Jersey
Texas Utilities
Virginia Electric & Power

BONDS

United States Treasury
Aluminum Company of America
Caterpillar Tractor
C.I.T. Financial Corporation
Cleveland Electric Illuminating
Consolidated Edison of New York
Houston Lighting and Power
Pacific Telephone & Telegraph
Procter & Gamble
Standard Oil of California
Texas Co. (Texaco)
United States Steel

Holdings of the Flexible Fund Annuity will change from time to time as market conditions warrant.

Ownership of a Flexible Fund Annuity gives you full-time professional investment management which adheres to sound principles and methods, for example:

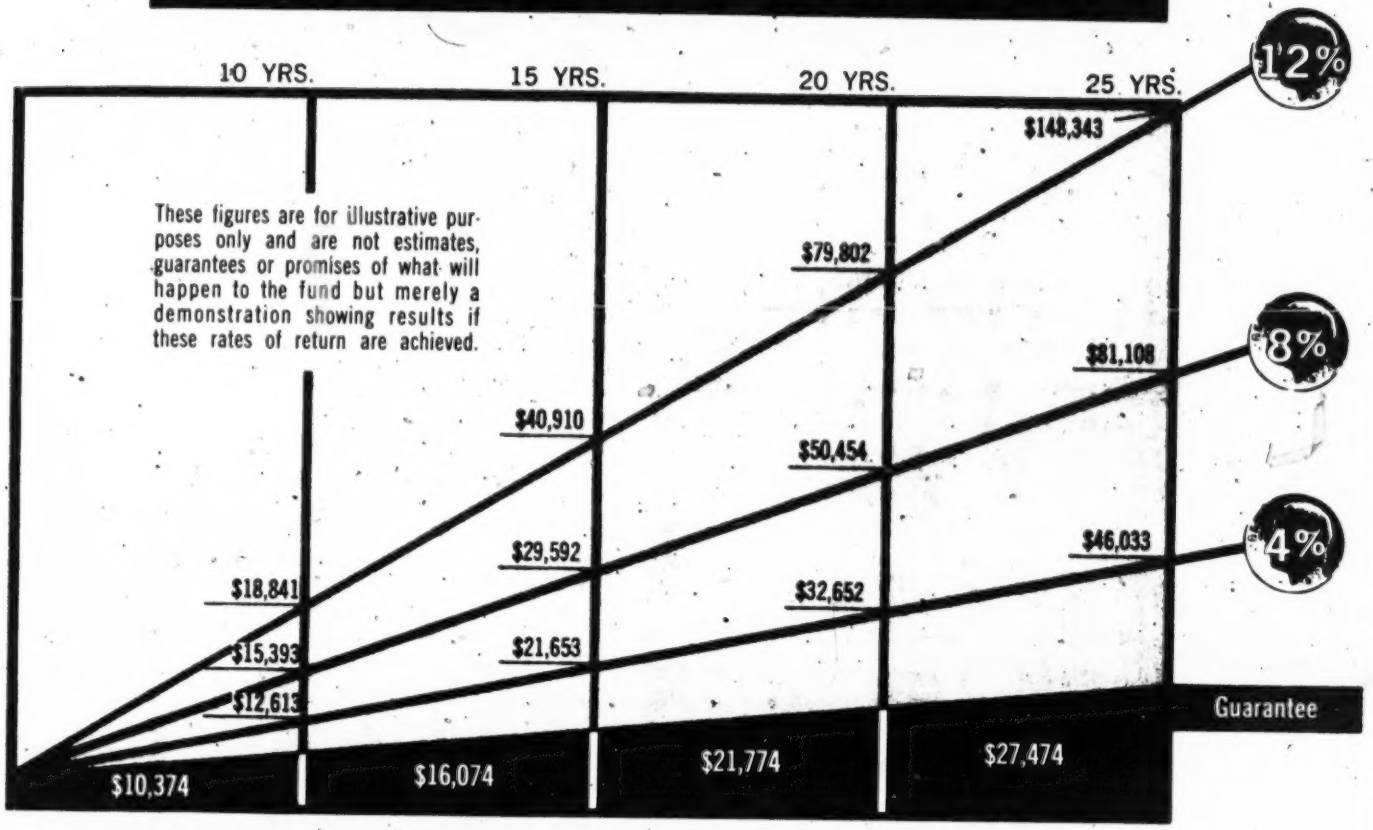
DIVERSIFICATION – Investments will be spread among industries and among companies within industries.

QUALITY – Investments will be limited to those qualifying under Nebraska state law for life insurance company investment.

FUNDS KEPT FULLY INVESTED – Constant investing and reinvesting give the policyowner the full impact of compounding of earnings.

LONG-RANGE OBJECTIVES – Purchases and sales of investments will be made only to carry out the long-range investment program of the Flexible Fund and not for trading purposes or speculation.

NO ONE CAN ACCURATELY PREDICT WHAT THE ECONOMY WILL DO. YOUR VALUES IN THE FFA AT ANY GIVEN TIME WILL DEPEND UPON THE PERFORMANCE OF THE FUND. THEY CANNOT, HOWEVER, BE LESS THAN THE GUARANTEED CASH VALUE AS SHOWN.



Flexible Fund Annuity Figures Based on Deposit of $100.00 a month.

IF YOU LIVE:

The Flexible Fund Annuity provides a minimum guarantee of $_____ at age 65 which may be used to provide a guaranteed retirement income of $_____. If the Fund returns at _____%, you would have a cash fund of $_____ at age 65 which may be used to provide a guaranteed retirement income of $_____.

IF YOU DIE:

Your family will receive a return of all your deposits or your accumulated value of the Fund, whichever is higher, upon death before maturity.

IF YOU QUIT:

You may allow your accumulated value (as defined in the policy) to participate in the Fund or you may withdraw it in cash. This amount can never be less than the written guarantees.

GREATER POTENTIAL RETURN...with protection against loss!

FLEXIBLE FUND ANNUITY $100 MONTHLY PREMIUM

Accumulated Fund at Age 65* and Monthly Income for 10 Years Certain and Life that Would Be Provided by that Fund

ISSUE AGE	MINIMUM GUARANTEE			4% EARNINGS RATE			8% EARNINGS RATE			12% EARNINGS RATE			ADDITIONAL PREMIUM FOR $100.00 I.E.B. WITHOUT WAIVER †	
	FUND AT 65	MALE INCOME	FEMALE INCOME	FUND AT 65	MALE INCOME	FEMALE INCOME	FUND AT 65*	MALE INCOME	FEMALE INCOME	FUND AT 65	MALE INCOME	FEMALE INCOME	ANNUAL	BSP
20	$ 50,274	$ 316.73	$ 282.04	$ 135,543	$ 853.92	$ 760.40	$ 432,445	$2,724.40	$2,426.02	$1,518,344	$9,565.97	$8,517.91	$108.90	$ 9.70
21	49,134	309.54	275.64	129,210	814.02	724.87	399,311	2,515.66	2,240.13	1,354,581	8,533.86	7,599.20	111.00	9.90
22	47,994	302.36	269.25	123,121	775.66	690.71	368,632	2,322.38	2,068.03	1,208,364	7,612.69	6,778.92	113.40	10.10
23	46,854	295.18	262.85	117,265	738.77	657.86	340,225	2,143.42	1,908.66	1,077,814	6,790.23	6,046.54	116.30	10.30
24	45,714	288.00	256.46	111,635	703.30	626.27	313,922	1,977.71	1,761.10	961,251	6,055.88	5,392.62	120.00	10.60
25	44,574	280.82	250.06	106,222	669.20	595.91	289,568	1,824.28	1,624.48	857,177	5,400.22	4,808.76	124.80	11.10
26	43,434	273.63	243.66	101,017	636.41	566.71	267,017	1,682.21	1,497.97	764,253	4,814.79	4,287.46	131.80	11.70
27	42,294	266.45	237.27	96,012	604.88	538.63	246,137	1,550.66	1,380.83	681,286	4,292.10	3,822.01	139.40	12.30
28	41,154	259.27	230.87	91,199	574.55	511.63	226,804	1,428.87	1,272.37	607,208	3,825.41	3,406.44	147.60	13.00
29	40,014	252.09	224.48	86,572	545.40	485.67	208,903	1,316.09	1,171.95	541,067	3,408.72	3,035.39	156.50	13.80
30	38,874	244.91	218.08	82,122	517.37	460.70	192,328	1,211.67	1,078.96	482,013	3,036.68	2,704.98	166.10	14.60
31	37,734	237.72	211.69	77,844	490.42	436.70	176,981	1,114.98	992.86	429,286	2,704.50	2,408.28	169.40	14.90
32	36,594	230.54	205.29	73,730	464.50	413.63	162,770	1,025.45	913.14	382,208	2,407.91	2,144.19	172.70	15.20
33	35,454	223.36	198.90	69,775	439.58	391.44	149,613	942.56	839.33	340,174	2,143.10	1,908.38	172.30	15.20
34	34,314	216.18	192.50	65,971	415.62	370.10	137,429	865.80	770.98	302,644	1,906.66	1,697.83	175.60	15.50
35	33,174	209.00	186.11	62,314	392.58	349.58	126,149	794.74	707.70	269,135	1,695.55	1,509.85	178.90	15.70
36	32,034	201.81	179.71	58,798	370.43	329.86	115,704	728.94	649.10	239,216	1,507.06	1,342.00	182.30	16.00
37	30,894	194.63	173.32	55,417	349.13	310.89	106,032	668.00	594.84	212,503	1,338.77	1,192.14	185.90	16.40
38	29,754	187.45	166.92	52,165	328.64	292.65	97,077	611.59	544.60	188,652	1,188.51	1,058.34	184.20	16.20
39	28,614	180.27	160.52	49,039	308.95	275.11	88,786	559.35	498.09	167,356	1,054.34	938.87	187.50	16.50
40	27,474	173.09	154.13	46,033	290.01	258.25	81,108	510.98	455.02	148,343	934.56	832.29	190.80	16.80
41	26,334	165.90	147.73	43,143	271.80	242.03	73,999	466.19	415.13	131,366	827.61	736.96	194.10	17.10
42	25,194	158.72	141.34	40,364	254.29	226.44	67,417	424.73	378.21	116,208	732.11	651.93	197.40	17.30
43	24,054	151.54	134.94	37,692	237.46	211.45	61,323	386.33	344.02	102,674	646.85	576.00	193.60	17.00
44	22,914	144.36	128.55	35,122	221.27	197.03	55,679	350.78	312.36	90,591	570.72	508.22	196.30	17.30
45	21,774	137.18	122.15	32,652	205.71	183.18	50,454	317.86	283.05	79,802	502.75	447.69	199.00	17.50
46	20,634	129.99	115.76	30,276	190.74	169.85	45,616	287.38	255.91	70,169	442.06	393.65	201.60	17.70
47	19,494	122.81	109.36	27,992	176.35	157.04	41,136	259.16	230.77	61,568	387.88	345.40	204.20	17.90
48	18,354	115.63	102.97	25,796	162.51	144.72	36,988	233.02	207.50	53,888	339.49	302.31	196.40	17.30
49	17,214	108.45	96.57	23,684	149.21	132.87	33,148	208.83	185.96	47,032	296.30	263.85	197.70	17.40
50	16,074	101.27	90.18	21,653	136.41	121.47	29,592	186.43	166.01	40,810	257.73	229.51	198.80	17.50
51	14,934	94.08	83.78	19,700	124.11	110.52	26,299	165.68	147.54	35,444	223.30	198.84	199.80	17.60
52	13,794	86.90	77.38	17,823	112.28	99.99	23,250	146.48	130.43	30,563	192.55	171.46	200.50	17.60
53	12,654	79.72	70.99	16,018	100.91	89.86	20,427	128.69	114.60	26,306	165.10	147.02	185.80	16.30
54	11,514	72.54	64.59	14,282	89.98	80.12	17,813	112.22	99.93	22,315	140.58	125.19	184.20	16.20
55	10,374	65.36	58.20	12,613	79.46	70.76	15,393	96.98	86.35	18,841	118.70	105.70	182.10	16.00
56	14,934	105.58	94.08	19,700	139.28	124.11	26,299	185.93	165.68	35,444	250.59	223.30	289.60	25.30
57	13,794	97.52	86.90	17,823	126.81	112.28	23,250	164.38	146.48	30,563	216.08	192.55	291.00	25.50
58	12,654	89.46	79.72	16,018	113.25	100.91	20,427	144.42	128.69	26,306	185.28	165.10	270.80	23.70
59	11,514	81.40	72.54	14,282	100.97	89.98	17,813	125.94	112.22	22,315	157.77	140.58	268.60	23.50
60	10,374	73.34	65.36	12,613	89.17	79.46	15,393	108.83	96.98	18,841	133.21	118.70	265.60	23.30

*For Issue Ages 56 Through 60, Accumulated Fund is at Age 70

† 35 year Plan For Issue Ages 20-30, Coverage to Age 65 For Issue Ages 31-55, and Coverage to Age 70, For Issue Ages 56-60

PLAINTIFF'S EXHIBIT NO. 6

26

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ADDRESS

AGE ☐ MALE ☐ FEMALE

United
OF OMAHA

OMAHA, NEBRASKA

A STOCK COMPANY

Annuitant	JOHN UBLIC	$338.65	Monthly Income
Date of Issue	JUNE 15, 1964	SPECIMEN	Policy Number

DEFERRED RETIREMENT ANNUITY—Death Benefit Prior to Maturity. Premiums Payable to Maturity. Nonparticipating.

United Benefit Life Insurance Company will pay to the Annuitant the monthly income shown above, beginning on the maturity date, provided the Annuitant is then living and all premiums have been duly paid. Upon receipt of due proof that death of the Annuitant occurred prior to the maturity date and while this policy was in force with all premiums duly paid to the date of death, the Company will pay to the beneficiary the amount of the cash value for the policy year in which death occurred, or of the premiums which have been paid, if greater.

Any amount which may become payable by reason of the death of the Annuitant will be paid to the person or persons named as beneficiary in the application or subsequently designated in accordance with the terms of this policy.

This contract, executed by the United Benefit Life Insurance Company on the date of issue set out above, includes the provisions on the following pages.

Trent P. Hansen
Secretary

N. M. Longworth
President

PREMIUMS

1. CONSIDERATION — The consideration for this policy is the application therefor and the payment of premiums in the amounts and at the times stated on page 3 or until prior death of the Annuitant.

2. MANNER OF PAYMENT — All premiums are payable in advance at the home office of the Company in Omaha, Nebraska, or to an authorized agent on or before the due date, in exchange for the Company's receipt therefor signed by a Vice President. This policy is based on annual premiums, but such premiums may be paid semiannually or quarterly at the Company's published rates.

3. DEFAULT — Failure to pay any premium when due shall constitute a default and shall cause this policy to be null and void, except as herein provided.

4. GRACE PERIOD — A grace period of thirty-one days will be granted for the payment of every premium after the first. This policy will remain in force during the grace period.

5. REINSTATEMENT — At any time within five years after the due date of a premium in default, upon written application by the Annuitant, this policy, unless previously surrendered for its cash value, may be reinstated upon the payment of arrears of premiums with compound interest thereon at the rate of five per cent per annum, and the payment or reinstatement of any indebtedness to the Company existing at the date of such default with interest at like rate from that date.

POLICY CONTRACT

6. ENTIRE CONTRACT — This policy and the application, a copy of which is attached to the policy when issued, constitute the entire contract between the parties hereto. All statements made by the Annuitant shall, in the absence of fraud, be deemed representations and not warranties and no statement made by the Annuitant or on his behalf shall be used to void this policy or in defense of a claim hereunder unless it is contained in the written application.

No change or modification may be made, no forfeiture waived or date of payment of any premium changed, except by agreement in writing signed by the President, Vice President, Assistant Vice President, Secretary or Assistant Secretary of the Company.

7. INCONTESTABILITY — Except for nonpayment of premiums, this policy shall be incontestable after it shall have been in force during the lifetime of the Annuitant for two years from its date of issue.

8. AGE OR SEX — If the age or sex of the Annuitant has been misstated, the amount payable under this policy shall be the amount which the premium paid would have purchased at the correct age and sex, according to the Company's published rates at the time of issue. The Company may require proof of age before making annuity payments hereunder.

PAYMENT OF BENEFITS

9. OWNERSHIP AND CONTROL — If this policy was applied for by someone other than the Annuitant, the applicant shall exercise all rights which would otherwise have been available to the Annuitant.

10. BENEFICIARY — The right to change the beneficiary is reserved by the Annuitant unless such right has been revoked in writing by the Annuitant and acknowledged by the Company. If the right has not been revoked, the Annuitant may change any beneficiary designation by written notice to the Company. Such change will become effective when acknowledged by the Company.

If any beneficiary dies before the Annuitant, the interest of such beneficiary shall vest in the Annuitant unless otherwise provided in the beneficiary designation. The interest of any revocable beneficiary shall be subject to the rights of any assignee.

11. ASSIGNMENT — No assignment of this policy shall be binding upon the Company until a copy thereof is filed with the Company at its home office. The Company will not assume responsibility for the validity of any assignment.

12. INDEBTEDNESS — Any indebtedness to the Company secured by this policy, including any unpaid portion of the premium for the policy year current at death, will be deducted from any payment or payments or in any settlement under this policy. If there be any indebtedness on this policy on the due date of the first monthly payment, the monthly payments otherwise available shall each be reduced in the proportion that such indebtedness bears to the then cash value of this policy, and the indebtedness will thereby be canceled.

POLICY DATA

Anniversary dates, policy years and premium periods are computed from the Date of Issue.

ANNUITANT	JOHN UBLIC	$338.65	MONTHLY INCOME
Date of Issue	JUNE 15, 1964	SPECIMEN	Policy Number
AGE AT ISSUE	35	Sex MALE	
AGE AT MATURITY	65		
MATURITY DATE	JUNE 15, 1994		
ANNUITY OPTION	A, AS DESCRIBED IN SECTION 15		

SCHEDULE OF BENEFITS

Form	Benefit	Premium	Years Payable
523-140L	ANNUITY	$1,176.47	30
	TOTAL ANNUAL PREMIUM	$1,176.47	

MONTHLY BANK SERVICE PLAN PREMIUM $100.00 PAYABLE AS OF THE DATE OF ISSUE AND EACH MONTH THEREAFTER FOR THE PERIOD STATED.

13. DEFERMENT — The payment of a cash value, or the granting of a policy loan other than for the payment of premiums, may be deferred, at the option of the Company, for a period not exceeding six months after application therefor.

14. OPTIONAL MATURITY DATES — On any anniversary prior to the maturity date shown on page 3, the Annuitant may, upon written request accompanied by the policy for endorsement, elect an earlier maturity date and have the cash value as of such date, less the amount of any indebtedness secured by this policy, applied to the purchase of a monthly income beginning on such date in accordance with one of the Annuity Options set out below.

Prior to the time the first monthly income payment is made, the Annuitant may elect a later maturity date. On such later maturity date, the then cash value less any indebtedness secured by this policy will be applied to purchase a monthly income in accordance with one of the Annuity Options set out below.

15. ANNUITY OPTIONS — At any time prior to the date of the first monthly income payment, the Annuitant may elect one of the other Annuity Options described below in lieu of the option originally selected as indicated on page 3.

Option A. Life Annuity, 120 months guaranteed. Equal monthly payments shall be made for a minimum guaranteed period of 120 months and for as long thereafter as the Annuitant lives. If the Annuitant dies before monthly payments have been made for the said minimum period, monthly payments will be continued for the remainder of said minimum period to the beneficiary.

Option B. Life Annuity. Equal monthly payments shall be made for the life of the Annuitant, and shall terminate with the last payment preceding death of the Annuitant.

Option C. Installment Refund Annuity. Equal monthly payments shall be made for the life of the Annuitant with a minimum guarantee that should the Annuitant die before the sum of all monthly payments made equals or exceeds the net cash value applied to the purchase thereof, the monthly payments will be continued thereafter to the beneficiary until the sum of all monthly payments made to the Annuitant and beneficiary equals such net cash value.

The following table shows the amount of monthly income for each $1,000.00 of net cash value, according to the option selected, the sex and the attained age of the Annuitant at the time the first payment is to be made. The net cash value as used herein is the tabular cash value less any then existing indebtedness to the Company secured by this policy.

If the amount of each monthly payment would be less than $25.00, the Company reserves the right to pay in one sum the amount of the net cash value.

ANNUITY OPTIONS

MALE				FEMALE		
Option A Life Ann. with 120 Months Certain	Option B Life Annuity	Option C Install. Refund Annuity	Attained Age Last Birthday	Option A Life Ann. with 120 Months Certain	Option B Life Annuity	Option C Install. Refund Annuity
$3.57	$3.58	$3.52	35	$3.36	$3.37	$3.33
3.62	3.63	3.55	36	3.40	3.40	3.36
3.66	3.68	3.59	37	3.43	3.44	3.39
3.71	3.73	3.64	38	3.47	3.48	3.43
3.76	3.78	3.68	39	3.51	3.52	3.47
3.82	3.83	3.73	40	3.55	3.56	3.50
3.87	3.89	3.77	41	3.60	3.61	3.54
3.93	3.95	3.82	42	3.64	3.65	3.58
3.99	4.02	3.88	43	3.69	3.70	3.63
4.06	4.09	3.93	44	3.74	3.75	3.67
4.13	4.16	3.99	45	3.79	3.81	3.72
4.20	4.24	4.05	46	3.85	3.86	3.77
4.27	4.32	4.11	47	3.91	3.92	3.82
4.35	4.40	4.17	48	3.97	3.99	3.88
4.43	4.49	4.24	49	4.03	4.05	3.93
4.51	4.58	4.31	50	4.10	4.12	3.99
4.60	4.68	4.38	51	4.17	4.20	4.06
4.69	4.78	4.46	52	4.24	4.28	4.12
4.78	4.88	4.54	53	4.32	4.36	4.19
4.88	5.00	4.62	54	4.41	4.45	4.26
4.98	5.11	4.71	55	4.50	4.55	4.34
5.09	5.24	4.80	56	4.59	4.65	4.42
5.20	5.37	4.90	57	4.69	4.75	4.50
5.32	5.51	5.00	58	4.79	4.87	4.59
5.44	5.66	5.11	59	4.90	4.99	4.69
5.57	5.82	5.22	60	5.02	5.12	4.79
5.71	5.98	5.33	61	5.14	5.26	4.89
5.85	6.16	5.46	62	5.27	5.40	5.00
5.99	6.36	5.59	63	5.40	5.56	5.12
6.14	6.56	5.73	64	5.55	5.73	5.24
6.30	6.78	5.88	65	5.70	5.92	5.37
6.47	7.02	6.03	66	5.86	6.11	5.51
6.64	7.27	6.19	67	6.02	6.33	5.66
6.81	7.54	6.37	68	6.19	6.55	5.82
6.99	7.83	6.55	69	6.37	6.80	5.98
7.17	8.15	6.75	70	6.56	7.06	6.16
7.35	8.49	6.96	71	6.75	7.35	6.35
7.54	8.86	7.17	72	6.95	7.66	6.55
7.72	9.25	7.41	73	7.15	8.00	6.76
7.90	9.68	7.66	74	7.35	8.37	6.99
8.08	10.14	7.92	75	7.56	8.76	7.23
8.26	10.64	8.20	76	7.77	9.19	7.49
8.43	11.18	8.50	77	7.97	9.66	7.76
8.59	11.77	8.82	78	8.17	10.18	8.06
8.74	12.41	9.17	79	8.36	10.74	8.38
8.88	13.11	9.53	80	8.54	11.35	8.72

PLAINTIFF'S EXHIBIT NO. 7

LOANS

16. LOANS — The Company, at any time prior to the maturity date, if no premium is then in default, will loan to the Annuitant on proper assignment of this policy any sum not exceeding the amount of the cash value for the end of the then current policy year. From such loan there will be deducted any existing indebtedness to the Company secured by this policy and any unpaid premium for the balance of the current policy year. Interest in advance at the rate of five per cent per annum will be collected on the loan to the end of the current policy year. Interest on the loan at the same rate will be payable annually in advance thereafter, and if not so paid, will be added to the principal and bear the same rate of interest.

17. REPAYMENT — Loans may be repaid in whole or in part at any time prior to default in premium payment or within the grace period. Failure to repay any loan, or to pay interest when due, shall not void the policy unless the total indebtedness shall equal or exceed the cash value of the policy at the time of such failure, in which case the policy shall become void thirty-one days after mailing of notice by the Company to the last known address of the Annuitant and of any assignee of record at the home office.

NONFORFEITURE

18. OPTIONS — Prior to the maturity date, upon default in the payment of a premium or within thirty-one days after the due date of a premium in default, the Annuitant may select one of the following options:

First Option—Cash Value — Surrender the policy for its cash value less any indebtedness to the Company on account of or secured by this policy.

Second Option—Reduced Paid-up Deferred Annuity — Upon written request, the policy may be continued as a paid-up deferred annuity with reduced monthly annuity payments commencing on the maturity date and continuing thereafter as long as the Annuitant lives, in accordance with the Annuity Option selected. The monthly annuity payment thereunder shall be such as the cash value of this policy at the time of default in premium payment, less any indebtedness then existing hereon, will provide, when accumulated at three per cent compound interest per annum to the maturity date, and then applied as a net value in accordance with the Annuity Option table.

Such paid-up deferred annuity may be surrendered on any policy anniversary prior to commencement of annuity payments, or within thirty days after such policy anniversary, for a cash surrender value equal to the cash value as of the date of default in premium payment less the then existing indebtedness, with interest thereon at the rate stated to the date of such surrender. If the Annuitant dies after this nonforfeiture option becomes effective and before commencement of annuity payments the cash value of such paid-up deferred annuity at the date of such death will be paid as a death benefit to the beneficiary.

If this policy is not surrenderd within thirty-one days after the due date of a premium in default, it shall automatically be continued as a reduced paid-up deferred annuity as provided above.

TABULAR VALUES — The values shown in the following table are based on an annual premium of $100.00. If the annual premium on this policy, exclusive of premiums charged for disability benefits, if any, included herein is more or less than $100.00, the values shown below will be increased or decreased proportionately.

The table shows the values guaranteed upon the assumption that premiums have been fully paid for the completed years stated and there is no indebtedness. Any existing indebtedness to the Company secured by this policy will diminish such values in the manner above stated. If fractional premiums in addition to premiums for whole years be paid, due allowance will be made in the guaranteed values. Values for years subsequent to those shown will be furnished on request.

CASH VALUE TABLE

End of Year	Cash Value per $100 Annual Premium	End of Year	Cash Value per $100 Annual Premium
1	$ 52	36	$6,089
2	148	37	6,369
3	247	38	6,658
4	349	39	6,956
5	455	40	7,263
6	564	41	7,578
7	678	42	7,903
8	795	43	8,238
9	916	44	8,583
10	1,042	45	8,939
11	1,177	46	9,305
12	1,317	47	9,682
13	1,461	48	10,070
14	1,610	49	10,470
15	1,765	50	10,882
16	1,916	51	11,306
17	2,071	52	11,743
18	2,231	53	12,193
19	2,396	54	12,657
20	2,566	55	13,134
21	2,740	56	13,626
22	2,920	57	14,133
23	3,106	58	14,655
24	3,297	59	15,192
25	3,494	60	15,746
26	3,696	61	16,316
27	3,905	62	16,903
28	4,120	63	17,508
29	4,341	64	18,131
30	4,569	65	18,773
31	4,804		
32	5,046		
33	5,296		
34	5,552		
35	5,817		

PLAINTIFF'S EXHIBIT NO. 7

Annuity Application to the UNITED BENEFIT LIFE INSURANCE COMPANY

Section A. The Proposed Annuitant

1. Full name (First) John (Middle) (Last) Ublic

2. Residence address 1234 State Street
City Omaha State Nebraska

3. Occupation: Attorney

4. How long in present occupation? 5 yrs.

5. Place of birth	6. Sex	7. Birth date (Mo.-Day-Year)	8. Age	9. Marital status
Nebr.	M	3-30-29	35	Married

10. Former addresses over last two years.

11. Name and address of employer.
Self-employed

12. Address where premium notices are to be sent.
City Same as #2 State

This space reserved for Home Office use.

Social Security No. _____

Section B. The Annuity

1. Amount of Annuity Income: $ 338.65

2. How will annuity income be paid? ☒ Monthly ☐ Annually ☐ _____

3. Type of annuity policy desired (describe fully).
AFDRA-65 Option A

4. Premium payable
☐ A. ☐ S.A.
☐ Q. ☒ BSP
☐ Single
☐ _____
Amount of Premium $ 100.00

5. A photostatic or certified copy of documents substantiating the date of birth should be attached. Possible forms of evidence, in order of acceptability, are listed below. Indicate, by checking the appropriate box, the form of evidence that is being attached.
- ☐ The best form of evidence is a certificate of birth or baptism.
- ☐ Social Security record.
- ☐ Family record made upon after birth, if certified by a notary.
- ☐ Naturalization papers.
- ☐ School or army records.
- ☐ A life insurance policy issued several years ago.
- ☐ If none of the above is available, secure an affidavit from living relatives.

Section C. The Beneficiary

Name and relationship of beneficiary. (The right to change the beneficiary is reserved.) Not applicable if application is for an immediate life-only annuity.

Mary Ublic, Wife

I declare that the answers in this application are, to the best of my knowledge, true and complete, and agree that:
1. The Company is not bound by any statements made by or to any agent unless such statements are written in this application.
2. If the applicant is other than the proposed annuitant, any policy issued on the basis of this application shall be owned by the applicant.

I have paid $_____ premium with this application.

Date June 15 1964

_____
Witness (Soliciting Agent)

Signed at Omaha, Nebraska

X _____
Proposed Annuitant

_____
Applicant (See item 2 of agreement)

No. 2633

Form 25L 5-63 (General Agent's Stamp) (Soliciting Agent's Stamp)

OPTIONAL METHODS OF SETTLEMENT

ELECTION OF OPTION — Subject to the terms and conditions hereof, the Annuitant may elect that the proceeds of this policy be paid in accordance with one of the options described below, or in such other manner as may be mutually agreed upon in writing between the Annuitant and the Company, and may direct that the beneficiary shall not have the right to withdraw, assign or commute any sum payable under an option. In the absence of such direction, the beneficiary may change the manner of payment or make an election of option. Any election shall become effective when acknowledged by the Company.

If no beneficiary survives the Annuitant, or if any change of beneficiary is made subsequent to the election of an Optional Method of Settlement, such election shall no longer be effective.

GENERAL CONDITIONS — The Company shall not be required to retain less than $1,000.00 under an Optional Method of Settlement for any one payee, or to make periodic payments of less than $25.00 each. If the amount available to any one payee does not meet these requirements, the Company shall have the right to pay such amount in one sum immediately, or to change the periodic payments to a less frequent basis such that each payment be not less than $25.00.

The Company shall be obligated to apply policy proceeds under an Optional Method of Settlement only if the payee is a natural person taking in his or her own right as an individual and not in a fiduciary capacity or as assignee.

The cash value of a policy may be applied under an Optional Method of Settlement only if the policy has been in force for five years or more.

The maximum period for which policy proceeds may be retained under any option is thirty years or the lifetime of the payee.

If the death of the last surviving payee occurs before full payment has been made under any option, the amount remaining on deposit, or the then present value of any remaining installments certain, will be paid in one sum to the estate of such last surviving payee. Commutation of remaining installments will be at the guaranteed rate if proceeds have been applied under Option 2, Option 3, or Part (a) of Option 4, and at the rate provided in the corresponding annuity policy if the proceeds have been applied under Part (b) of Option 4.

The guaranteed rate of interest used in these Optional Methods of Settlement is three per cent per annum.

Option 1 — Proceeds on Deposit at Interest — The proceeds may be left on deposit for a period to be elected. During such period the Company will pay interest to the payee annually at the guaranteed rate and at the end of the period will pay the amount then on deposit in the manner set out in the election.

Option 2 — Income of a Specified Amount — The proceeds will be paid in monthly installments of a specified amount until the proceeds, with interest at the guaranteed rate on remaining balances, are exhausted.

Option 3 — Income for a Specified Period — The proceeds will be paid as a monthly income for the fixed period elected. The monthly income shown in the following table, for each $1,000.00 so applied, includes interest at the guaranteed rate.

Fixed Period of Years	Monthly Income	Fixed Period of Years	Monthly Income
1	$ 84.47	16	$ 6.53
2	42.86	17	6.23
3	28.99	18	5.96
4	22.06	19	5.73
5	17.91	20	5.51
6	15.14	21	5.32
7	13.16	22	5.15
8	11.68	23	4.99
9	10.53	24	4.84
10	9.61	25	4.71
11	8.86	26	4.59
12	8.24	27	4.47
13	7.71	28	4.37
14	7.26	29	4.27
15	6.87	30	4.18

Option 4 — Life Income with Minimum Guarantee — The proceeds will be applied to purchase a monthly income to continue as long as the payee lives. On the ten years certain basis, such income will be paid for a minimum of ten years. On the Installment Refund basis, such income will be paid at least until the sum of all payments shall equal the amount applied under this option.

The amount of monthly income, for each $1,000.00 of policy proceeds so applied, shall be the greater of: (a) the amount shown in the table below according to the sex and age last birthday of the payee at the time the first payment becomes due and (b) the amount of corresponding benefit that could be purchased by a single premium of $1,030.00 according to the Company's rates in effect for annuity policies at the time the first payment becomes due.

MONTHLY LIFE INCOME FOR EACH $1,000.00 OF PROCEEDS

Age Last Birthday of Payee	10 Years Certain		Installment Refund	
	Male	Female	Male	Female
10	$2.92	$2.84	$2.91	$2.83
11	2.93	2.85	2.92	2.84
12	2.95	2.86	2.94	2.86
13	2.97	2.88	2.95	2.87
14	2.98	2.89	2.97	2.88
15	3.00	2.91	2.99	2.90
16	3.02	2.92	3.00	2.91
17	3.04	2.94	3.02	2.93
18	3.06	2.95	3.04	2.94
19	3.08	2.97	3.06	2.96
20	3.10	2.99	3.08	2.98
21	3.12	3.01	3.11	2.99
22	3.15	3.03	3.13	3.01
23	3.17	3.05	3.15	3.03
24	3.20	3.07	3.18	3.05
25	3.23	3.09	3.20	3.07
26	3.25	3.11	3.23	3.09
27	3.28	3.13	3.25	3.12
28	3.31	3.16	3.28	3.14
29	3.35	3.18	3.31	3.16
30	3.38	3.21	3.34	3.19
31	3.41	3.24	3.37	3.21
32	3.45	3.27	3.41	3.24
33	3.49	3.30	3.44	3.27
34	3.53	3.33	3.48	3.30
35	3.57	3.36	3.52	3.33
36	$3.62	$3.40	$3.55	$3.36
37	3.66	3.43	3.59	3.39
38	3.71	3.47	3.64	3.43
39	3.76	3.51	3.68	3.47
40	3.82	3.55	3.73	3.50
41	3.87	3.60	3.77	3.54
42	3.93	3.64	3.82	3.58
43	3.99	3.69	3.88	3.63
44	4.06	3.74	3.93	3.67
45	4.13	3.79	3.99	3.72
46	4.20	3.85	4.05	3.77
47	4.27	3.91	4.11	3.82
48	4.35	3.97	4.17	3.88
49	4.43	4.03	4.24	3.93
50	4.51	4.10	4.31	3.99
51	4.60	4.17	4.38	4.06
52	4.69	4.24	4.46	4.12
53	4.78	4.32	4.54	4.19
54	4.88	4.41	4.62	4.26
55	4.98	4.50	4.71	4.34
56	5.09	4.59	4.80	4.42
57	5.20	4.69	4.90	4.50
58	5.32	4.79	5.00	4.59
59	5.44	4.90	5.11	4.69
60	5.57	5.02	5.22	4.79
61	5.71	5.14	5.33	4.89
62	$5.85	$5.27	$ 5.46	$ 5.00
63	5.99	5.40	5.59	5.12
64	6.14	5.55	5.73	5.24
65	6.30	5.70	5.88	5.37
66	6.47	5.86	6.03	5.51
67	6.64	6.02	6.19	5.66
68	6.81	6.19	6.37	5.82
69	6.99	6.37	6.55	5.98
70	7.17	6.56	6.75	6.16
71	7.35	6.75	6.96	6.35
72	7.54	6.95	7.17	6.55
73	7.72	7.15	7.41	6.76
74	7.90	7.35	7.66	6.99
75	8.08	7.56	7.92	7.23
76	8.26	7.77	8.20	7.49
77	8.43	7.97	8.50	7.76
78	8.59	8.17	8.82	8.06
79	8.74	8.36	9.17	8.38
80	8.88	8.54	9.53	8.72
81	9.00	8.71	9.91	9.09
82	9.12	8.87	10.34	9.48
83	9.22	9.01	10.77	9.89
84	9.30	9.14	11.24	10.36
85 and over	9.38	9.24	11.76	10.84

DEFERRED RETIREMENT ANNUITY—Death Benefit Prior to Maturity. Premiums Payable to Maturity. Nonparticipating.

ANNUAL STATEMENT

OF THE

UNITED BENEFIT
Life Insurance Company

of

OMAHA

in the

STATE OF NEBRASKA

TO THE

Insurance Department

OF THE

STATE OF

_____

FOR THE YEAR ENDED
DECEMBER 31, 1963

LIFE AND ACCIDENT AND HEALTH, 1963

1963

1963

PLAINTIFF'S EXHIBIT NO. 8-A

35

United Benefit Life Insurance Company's Annual Statement, for the year ended December 31, 1963, has been signed by G. A. Ecklund, Vice President, on the line usually designated for the president.

N. M. Longworth, the former president, died November 8, 1963, and a successor has not, as yet, been elected by the Board of Directors.

February 10, 1964

United Benefit Life Insurance Company's Annual Statement, for the year ended December 31, 1963, has been signed by G. A. Ecklund, Vice President, on the line usually designated for the president.

N. M. Longworth, the former president, died November 8, 1963, and a successor has not, as yet, been elected by the Board of Directors.

February 10, 1964

ANNUAL STATEMENT

For the Year Ended December 31, 1963

OF THE CONDITION AND AFFAIRS OF THE

UNITED BENEFIT LIFE INSURANCE COMPANY

Organized under the Laws of the State of NEBRASKA, made to the

INSURANCE DEPARTMENT OF THE STATE OF

PURSUANT TO THE LAWS THEREOF

Incorporated AUGUST 9, 1926 Commenced Business NOVEMBER 26, 1926

Home Office 3316 FARNAM STREET (Street and Number), OMAHA, NEBRASKA 68131 (City or Town, Zone Number and State)

Mail Address 3316 FARNAM STREET (Street and Number), OMAHA, NEBRASKA 68131 (City or Town, Zone Number and State)

OFFICERS

President Deceased November 8, 1963

Secretary FRANK P. HANNAN

Treasurer M. T. CRUMMER

Vice-Presidents M. L. CRISS, N. L. CRISS, R. L. DALY, T. A. ECKLUND, A. W. RANDALL, R. J. TAYLOR, R. S. WAGNER, W. R. WELLMAN

VICE-PRESIDENT & Actuary DALE R. GUSTAFSON

DIRECTORS OR TRUSTEES

MELVIN BEKINS	OMAHA, NEBRASKA	DALE E. DAVIS	OMAHA, NEBRASKA	A. W. LARSEN	OMAHA, NEBRASKA
GEORGE B. BOLAND	OMAHA, NEBRASKA	FRANK J. HORAN	OMAHA, NEBRASKA	V. J. SKUTT	OMAHA, NEBRASKA
W. DALE CLARK	OMAHA, NEBRASKA	PHILIP E. HORAN	OMAHA, NEBRASKA	W. O. SWANSON	OMAHA, NEBRASKA
M. L. CRISS	OMAHA, NEBRASKA	DONALD K. HOWE	OMAHA, NEBRASKA	PAUL R. THOMPSON	OMAHA, NEBRASKA
R. L. DALY	OMAHA, NEBRASKA			JOSEPH J. VINARDI	OMAHA, NEBRASKA

State of NEBRASKA
County of DOUGLAS } ss:

T. A. Ecklund Vice, President, Frank P. Hannan, Secretary, Dale R. Gustafson, Actuary, M. T. Crummer, Treasurer* of the United Benefit Life Insurance Company, being duly sworn, each for himself deposes and says that they are the above described officers of the said insurer, and that on the thirty-first day of December last, all of the herein described assets were the absolute property of the said insurer free and clear from any liens or claims thereon, except as herein stated, and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said insurer as of the thirty-first day of December last, and of its income and deductions therefrom for the year ended on that date, according to the best of their information, knowledge and belief, respectively.

Subscribed and sworn to before me this

11th day of February, 1964

Notary Public

T. A. Ecklund — Vice President.

Frank P. Hannan — Secretary.

Dale R. Gustafson — Actuary.

— Treasurer*.

*Or corresponding persons having charge of the accounts and finances of the insurer.

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ANNUAL STATEMENT FOR THE YEAR 1963 OF THE UNITED BENEFIT LIFE INSURANCE COMPANY

Write or Stamp Name

Form 1

EXCEPT FOR ITEMS 25A AND 26, THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

ASSETS

			DOLLARS CENTS
1.	Bonds (Schedule D)		225,124,662.26
2.	Stocks (Schedule D)		54,060,073.48
3.	Mortgage loans on real estate (Schedule B)		120,128,758.75
4.	Real estate (Schedule A)		
4.1	Properties occupied by the Company (less $26,875.00 encumbrances)	$ 9,444,188.78	
4.2	Properties acquired in satisfaction of debt (less $ -0- encumbrances)	58,087.52	
4.3	Investment real estate (less $ -0- encumbrances)	3,498,813.55	13,001,089.85
5.	Policy loans		27,597,973.77
6.	Premium notes		-0-
7.	Collateral loans (Schedule C)		-0-
8.	Cash and bank deposits (Exhibit 13)		2,971,920.30
9.	United States Premium Loans		1,538.94
10.	Other invested assets (Schedule BA)		-0-
10A.	Cash and invested assets $ 442,886,017.35 (Items 1 to 10)		
11.	Amounts recoverable from reinsurers (Schedule S)		7,446.00
12.	Electronic Data Processing Equipment		517,642.94
13.	Managers Annuity Accounts		1,154.91
14.	Premiums in course of collection		116,167.33
15.	Mortgage Escow Accounts ($1,591,525.26)		-0-
16.			
17.	Life insurance premiums and annuity considerations deferred and uncollected		11,672,427.60
18.	Accident and health premiums due and unpaid effective after September 30th of current year		-0-
19.	Interest and other investment income due and accrued		2,980,292.92
20.	Net adjustment in assets and liabilities due to foreign exchange rates		-0-
21.			
22.			
23.			
24.			
25.			
25A.	Separate Account Business (see Separate Account Statement)		286,290.33
26.	TOTAL		458,467,439.38

NOTE: The items on this page to agree with Exhibit 13, Col. 4.

State basis of valuation:

Bonds on Amortized Basis (Commissioner's Market where required)

Preferred Stocks at Commissioner's Value

Common Stocks at Commissioner's Value

EXCEPT FOR ITEMS 25A, 26, 27, 29, 30 AND 31, THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

LIABILITIES, SURPLUS AND OTHER FUNDS

			DOLLARS CENTS
1.	Aggregate reserve for life policies and contracts (Exhibit 8)		352,596,079.00
2.	Aggregate reserve for accident and health policies (Exhibit 9, Part 1)		5,785,637.16
3.	Supplementary contracts without life contingencies (Exhibit 10, Col. 5)		4,621,993.00
4.	Policy and contract claims		
4.1	Life (Exhibit 11, Part 1)		2,812,111.18
4.2	Accident and Health (Exhibit 9, Part 2)		1,366,674.03
5.	Policyholders' dividend accumulations (Exhibit 10, Col. 6)		21,482.00
6.	Policyholders' dividends due and unpaid		-0-
7.	Provision for policyholders' dividends payable in following calendar year—estimated amounts:		
7.1	Apportioned for payment to March 1, 19 64	$ 3,087.24	
7.2	Not yet apportioned	31,479.61	34,566.85
8.	Amount provisionally held for deferred dividend policies not included in Item 7		-0-
9.	Premiums and annuity considerations received in advance less $ -0- discount; including $ 118,362.22 accident and health premiums		512,828.83
10.	Liability for premium deposit funds (Including $19,733.60 interest)		1,147,368.14
11.	Policy and contract liabilities not included elsewhere:		
11.1	Surrender values on cancelled policies		-0-
11.2	Provision for experience rating refunds (Includes $641,754.59 refunded on deposits)		2,924,272.84
11.3	Accumulated Savings $52,913.09; Coupons on Deposit $106,257.74		162,098.06
12.	Deposit Administration Fund		753,511.17
13.	Commissions to agents due or accrued—Life and Annuity $410,660.30 Accident and Health $ 8,215.25		418,875.55
14.	General expenses due or accrued (Exhibit 5, Line 11)		600,207.98
15.	Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 6, Line 8)		1,193,175.25
15A.	Federal income taxes due or accrued (including $ -0- on capital gains)		1,228,244.00
16.	"Cost of collection" on premiums and annuity considerations deferred and uncollected in excess of total loading thereon		-0-
17.	Unearned investment income (Exhibit 3, Col. 2)		385,815.32
18.	Amounts withheld or retained by company as agent or trustee		128,247.19
19.	Amounts held for agents' account (including $ 288,174.16 agents' credit balances)		326,826.62
20.	Remittances and items not allocated		533,185.90
21.	Net adjustment in assets and liabilities due to foreign exchange rates		502,014.11
22.	Liability for benefits for employees and agents if not included above		-0-
23.	Borrowed money $ 91,000.00 and interest thereon $ -0-		91,000.00
24.	Dividends to stockholders declared and unpaid		-0-
25.	Miscellaneous liabilities (give items and amounts)		
25.1	Mandatory securities valuation reserve		16,269,092.70
25.2	Reserve for revision of employees retirement plans		650,000.00
25.3	Undistributed funds H.O. employees group life insurance		196,116.20
25.4	Policy Revaluation Reserve		1,500,000.00
25.5	Separate Account Clearing		46.36
25.6	Group Contingency Reserve		825,623.00
25.7	Territories transferred		549,486.96
25.8	Excess Interest on Supplementary Contracts w/o Life Contingencies		5,074.00
25.9	Reserve for Unclaimed Funds		7,090.48
25A.	Separate Account Business (see Separate Account Statement)		114,281.78
26.	TOTAL LIABILITIES (Except Capital)		398,263,025.66
27.	Special surplus funds:		
27.1	Contingency Reserve	$ 5,000,000.00	
27.2		-0-	
27.3		-0-	$ 5,000,000.00
28.	Capital paid-up		1,000,000.00
29.	Unassigned surplus		* 54,204,413.72
30.	Total of Items 27 to 29		60,204,413.72
31.	TOTAL		458,467,439.38

*Includes "Policyholders Surplus" as defined by the Life Insurance Company tax act of 1959,--estimated to be $7,823,231.00

EXCEPT FOR ITEMS 34, 35, 41A, 42, 48A, 49, 50 AND 51, THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

SUMMARY OF OPERATIONS
(ACCRUAL BASIS)

		DOLLARS CENTS
1.	Premiums and annuity considerations (Exhibit 1, Part 1)	
1.1	Life	50,105,335.53
1.2	Accident and health	5,324,753.72
2.	Considerations for supplementary contracts with life contingencies	169,173.33
3.	Considerations for supplementary contracts without life contingencies and dividend accumulations	1,037,987.15
4.	Net investment income (Exhibit 2)	17,638,398.26
5.	Separate Account Expenses Allowance $25,078.53; Deposit Administration Funds $730,103.25	755,181.78
6.	Sundry Receipts	13,036.58
7.	TOTAL	83,043,866.35
	DEDUCT:	
8.	Death benefits	16,894,843.06
9.	Matured endowments	2,364,796.90
10.	Annuity benefits	1,981,854.47
11.	Disability benefits	166,674.98
12.	Surrender benefits	7,694,624.70
12A.	Group conversions	21,800.88
13.	Benefits under accident and health policies	3,757,298.04
14.	Interest on policy or contract funds	37,644.62
15.	Payments on supplementary contracts with life contingencies	262,789.41
16.	Payments on supplementary contracts without life contingencies and of dividend accumulations	845,640.18
17.	Increase in aggregate reserve for policies and contracts with life contingencies	21,275,330.93
18.	Increase in reserves for supplementary contracts without life contingencies and for dividend accumulations	284,134.61
19.1	Increase in Deposit Administration Funds	714,794.30
19.2	Increase in Reserves for Accident & Health policies	- 222,965.89
20.	Subtotal (Items 8 to 19)	56,079,661.19
21.	Commissions on premiums and annuity considerations	8,184,449.20
22.	Cost of territories transferred	296,349.00
23.	General insurance expenses (Exhibit 5, Cols. 1 and 2, Line 13)	7,585,015.95
24.	Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 6, Cols. 1 and 2, Line 10)	1,479,839.91
25.	Increase in loading on and cost of collection in excess of loading on deferred and uncollected premiums	121,586.78
26.	Increase in reserves for unclaimed funds	633.58
27.	Total (Items 20 to 26)	73,747,535.61
28.	Net gain from operations before dividends to policyholders and federal income taxes and excluding capital gains and losses (Item 7 minus Item 27)	9,296,330.74
29.	Dividends to life policyholders (Exhibit 7)	34,891.55
30.	Dividends on accident and health policies (Exhibit 7)	-0-
31.	Increase in amount provisionally held for deferred dividend policies	-0-
32.	TOTAL (Items 29 to 31)	34,891.55
32A.	Net gain from operations after dividends to policyholders and before federal income taxes, excluding capital gains and losses (Item 28 minus Item 32)	9,261,439.19
32B.	Federal income taxes incurred (excluding tax on capital gains)	2,068,095.40
33.	NET GAIN FROM OPERATIONS AFTER DIVIDENDS TO POLICYHOLDERS AND FEDERAL INCOME TAXES (excluding tax on capital gains) AND EXCLUDING CAPITAL GAINS AND LOSSES (Item 32A minus Item 32B)	7,193,343.79

SURPLUS ACCOUNT

		DOLLARS CENTS			DOLLARS CENTS
34.	Special surplus funds December 31, previous year		43.	Dividends to stockholders	500,000.00
35.	Unassigned surplus December 31, previous year	54,637,890.55	44.	Special Group Reserve	161,434.61
36.				Employees Retirement Plans	250,000.00
36A.			44A.	Policy Revaluation Reserve	1,500,000.00
36B.			44B.	Prior year's expense adjustment	7,844.68
37.	Net gain (from Item 33)	7,193,343.79	45.	Net capital losses (Exhibit 4, Line 10.2)	
38.	Net capital gains (Exhibit 4, Line 10.2)	4,027,381.13	46.	Increase in reserve on account of change in valuation basis	33,429.00
39.	Surplus paid in		47.	Net loss from non-admitted and related items (Exhibit 14, Col. 3, Line 40)	
40.	Net gain from non-admitted and related items (Exhibit 14, Col. 3, Line 40)	138,949.50	48.	Increase in mandatory securities valuation reserve	4,358,085.65
41.	Decrease in mandatory securities valuation reserve		48A.	Decrease in surplus of Separate Account Business (see Separate Account Statement)	
41A.	Increase in surplus of Separate Account Business (see Separate Account Statement)	17,642.69	49.	Special surplus funds December 31, current year (Item 27, Page 3)	5,000,000.00
42.	Total	66,015,207.66	50.	Unassigned surplus December 31, current year (Item 29, Page 3)	54,204,413.72
			51.	Total	66,015,207.66

04

ANNUAL STATEMENT FOR THE YEAR 1963 OF THE UNITED BENEFIT LIFE INSURANCE COMPANY

Print or Stamp Name

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

(Gain and Loss Exhibit)

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

	Total (1)	Industrial Life (Including Total and Permanent Disability and Accidental Death Benefits) (2)	Ordinary: Life Insurance (3)	Ordinary: Total and Permanent Disability (4)	Ordinary: Additional Accidental Death (5)	Ordinary: Individual Annuities (6)	Ordinary: Supplementary Contracts (7)	Group: Life Insurance (8)	Group: Annuities (9)	Accident and Health: Group (10)	Accident and Health: Individual (11)
1. Premiums and annuity considerations (Exhibit 1, Part 1)	63,430,089.25		44,602,519.73	775,932.64	562,657.17	2,827,894.77	X X X	9,161,224.46	175,104.76	-0-	5,324,753.72
2. Considerations for supplementary contracts with life contingencies	169,173.33	INCLUDED	X X X	X X X	X X X	X X X	169,173.33	-0-	-0-	X X X	X X X
3. Considerations for supplementary contracts without life contingencies and dividend accumulations	1,037,987.15	IN COLUMN	7,646.69	-0-	-0-	-0-	1,030,340.46	-0-	-0-	-0-	-0-
4. Net investment income (Exhibit 2)	17,638,398.26		15,077,735.90	108,579.72	23,649.32	1,446,924.06	370,966.34	197,263.64	37,158.08	-0-	376,121.20
5. Sundry Receipts	13,036.58	(3)	11,143.99	80.25	17.48	1,069.43	274.18	173.26	-0-	-0-	277.99
6. Miscellaneous Income	755,181.78		25,078.53	-0-	-0-	-0-	-0-	-0-	730,103.25	-0-	-0-
7. TOTAL	83,043,866.35		59,724,124.84	884,592.61	586,323.97	4,275,890.26	1,570,754.31	9,358,661.36	942,366.09	-0-	5,701,152.91
8. Death benefits	16,894,843.06		9,754,180.56	X X X	299,395.00	X X X	-0-	6,841,267.50	X X X	X X X	X X X
9. Matured endowments	2,364,796.90		2,364,796.90	X X X	X X X	X X X	-0-	X X X	X X X	X X X	X X X
10. Annuity benefits	1,981,854.47		X X X	X X X	X X X	1,973,799.50	-0-	-0-	8,054.97	X X X	X X X
11. Disability benefits	166,674.98		X X X	165,129.86	X X X	-0-	-0-	1,545.12	-0-	X X X	X X X
12. Surrender benefits	7,694,624.70		7,694,624.70	X X X	X X X	X X X	-0-	-0-	X X X	X X X	X X X
12A. Group conversions	21,800.88		-81,949.27	-0-	X X X	X X X	-0-	103,750.15	X X X	-0-	-0-
12B. Transfers on account of group package policies and contracts	X X X	X X X	X X X	X X X	X X X	X X X	X X X	-0-	-0-	-0-	X X X
13. Benefits under accident and health policies	3,757,298.04	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	-0-	3,757,298.04
14. Interest on policy or contract funds	37,644.62		36,037.36	-0-	-0-	-0-	-0-	-0-	863.23	-0-	744.03
15. Payments on supplementary contracts with life contingencies	262,789.41		X X X	X X X	X X X	X X X	262,789.41	-0-	-0-	X X X	X X X
16. Payments on supplementary contracts without life contingencies and of dividend accumulations	845,640.18		16,794.96	-0-	-0-	-0-	828,845.22	-0-	-0-	-0-	-0-
17. Increase in aggregate reserve for policies and contracts with life contingencies	21,275,730.93		18,557,359.00	146,066.00	57,375.00	1,508,689.00	8,109.00	828,555.93	169,577.00	-0-	-0-
18. Increase in reserves for supplementary contracts without life contingencies and for dividend accumulations	284,134.61		- 1,469.39	-0-	-0-	-0-	285,604.00	-0-	-0-	-0-	-0-
19-1 Increase in deposit administration funds	714,794.30		-0-	-0-	-0-	-0-	-0-	-0-	714,794.30	-0-	-0-
19-2 Increase in reserve for accident and health policies	-222,965.89		-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-222,965.89
20. SUBTOTAL (Items 8 to 19)	56,079,661.19		38,340,374.82	311,195.86	356,770.00	3,482,488.50	1,385,347.63	7,775,118.70	893,289.50	-0-	3,535,076.18
21. Commissions on premiums and annuity considerations	8,184,449.20		7,081,658.92	128,393.05	105,317.12	82,568.65	-0-	222,067.74	21,155.67	-0-	543,288.05
22. Cost of territories transferred	296,349.00		254,513.56	-0-	-0-	-0-	-0-	-0-	-0-	-0-	41,835.44
23. General insurance expenses (Exhibit 5, Cols. 1 and 2, Line 13)	7,585,015.95		5,852,491.45	101,506.62	72,957.89	317,208.21	-0-	655,387.45	34,653.20	-0-	550,811.13
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 6, Cols. 1 and 2, Line 10)	1,479,839.91		1,078,688.10	18,760.82	13,451.15	69,025.66	-0-	169,817.75	2,292.96	-0-	127,803.47
25. Increase in loading on and cost of collection in excess of loading on deferred and uncollected premiums	121,586.78		85,419.09	5,143.05	5,974.84	5,930.80	-0-	19,119.00	-0-	-0-	-0-
26. Increase in reserves for unclaimed funds	633.58		633.58	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
27. TOTAL (Items 20 to 26)	73,747,535.61		52,693,779.52	564,999.40	554,471.00	3,957,221.82	1,385,347.63	8,841,510.64	951,391.33	-0-	4,798,811.27
28. Net gain from operations before dividends to policyholders and federal income taxes and excluding capital gains and losses (Item 7 minus Item 27)	9,296,330.74		7,030,345.32	319,593.21	31,852.97	318,668.44	185,406.68	517,150.72	-9,025.24	-0-	902,338.64
29. Dividends to life policyholders (Exhibit 7)	34,891.55		34,891.55	-0-	-0-	-0-	-0-	-0-	-0-	X X X	X X X
30. Dividends on accident and health policies (Exhibit 7)	-0-	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	-0-	-0-
31. Increase in amounts provisionally held for deferred dividend policies	-0-		-0-	-0-	-0-	-0-	-0-	-0-	-0-	X X X	X X X
32. TOTAL (Items 29 to 31)	34,891.55		34,891.55	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
32A. Net gain from operations after dividends to policyholders and before federal income taxes, excluding capital gains and losses (Item 28 minus Item 32)	9,261,439.19		6,995,453.77	319,593.21	31,852.97	318,668.44	185,406.68	517,150.72	-9,025.24	-0-	902,338.64
32B. Federal income taxes incurred (excluding tax on capital gains)	2,068,095.40		1,774,989.51	81,105.70	8,168.92	80,716.70	-0-	17,559.00	-0-	-0-	105,555.57
33. Net gain from operations after dividends to policyholders and federal income taxes (excluding tax on capital gains) and excluding capital gains and losses (Item 32A minus Item 32B)	7,193,343.79		5,220,464.26	238,487.51	23,684.05	237,951.74	185,406.68	499,591.72	-9,025.24	-0-	796,783.07

ANNUAL STATEMENT FOR THE YEAR 1963 OF THE UNITED BENEFIT LIFE INSURANCE COMPANY

Write or Stamp Name

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR
(Gain and Loss Exhibit)

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

	TOTAL (1)	INDUSTRIAL LIFE (Including Total and Permanent Disability and Accidental Death Benefits) (2)	ORDINARY					GROUP	
			Life Insurance (3)	Total and Permanent Disability (4)	Accidental Death Benefits (5)	Individual Annuities (6)	Supplementary Contracts (7)	Life Insurance (8)	Annuities (9)
1. Reserve Dec. 31 of previous year	338,095,949		296,518,214	2,137,330	452,943	28,686,746	7,399,578	2,625,946	275,192
2. Tabular net premiums or considerations	48,875,825	INCLUDED	37,115,452	465,560	337,594	2,491,330	169,173	8,134,167	162,549
3. Considerations for supplementary contracts without life contingencies and dividend accumulations	1,037,987	IN COLUMN (3)	7,647	-0-	-0-	-0-	1,030,340	-0-	-0-
4. Present value of disability claims incurred	582,713		X X X	124,050	X X X	-0-	X X X	458,663	-0-
5. Tabular interest	9,884,184		8,676,814	57,204	15,544	756,012	159,796	203,458	15,356
6. Tabular less actual reserve released	489,493	X X X	X X X	162,768	X X X	300,960	26,038	-0-	-273
7. Increase in reserve on account of change in valuation basis	33,429		-0-	-0-	-0-	24,734	8,695	-0-	-0-
8. Other increases (net)	-0-		-0-	-0-	-0-	-0-	-0-	-0-	-0-
9. Totals (Items 1 to 8)	398,999,580		342,318,127	2,946,912	806,081	32,259,782	8,793,620	11,422,234	452,824
10. Tabular cost	20,393,488		11,800,792	375,518	295,763	-0-	X X X	7,921,415	-0-
11. Reserves released by death	2,972,448		2,972,448	X X X	X X X	X X X	X X X	-0-	X X X
12. Reserves released by other terminations (net)	12,688,986		12,453,988	122,868	-0-	65,813	-0-	46,317	-0-
13. Annuity, supplementary contract, disability and accumulated dividend payments	3,255,414		16,795	165,130	-0-	1,973,800	1,091,634	-0-	8,055
14. Total Deductions (Items 10 to 13)	39,310,336		27,244,023	663,516	295,763	2,039,613	1,091,634	7,967,732	8,055
15. Reserve Dec. 31 of current year	359,689,244		315,074,104	2,283,396	510,318	30,220,169	7,701,986	3,454,502	444,769

ANNUAL STATEMENT FOR THE YEAR 1963 OF THE UNITED BENEFIT LIFE INSURANCE COMPANY

(Write or Stamp Name)

EXHIBIT 1

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

		TOTAL (1)	INDUSTRIAL LIFE (Including Total and Permanent Disability and Accidental Death Benefits) (2)	ORDINARY: Life Insurance (3)	ORDINARY: Total and Permanent Disability (4)	ORDINARY: Additional Accidental Death (5)	ORDINARY: Individual Annuities (6)	GROUP: Life Insurance (7)	GROUP: Annuities (8)	ACCIDENT AND HEALTH: Group (9)	ACCIDENT AND HEALTH: Individual (10)	
		PART 1—Premiums and Annuity Considerations (Gross, Less Reinsurance Ceded)										
CURRENT YEAR	**FIRST YEAR (Other Than Single)**											
	1. Uncollected	98,184.46		93,696.36	1,872.13	1,466.66	1,149.31	INCLUDED	INCLUDED	INCLUDED		1.
	2. Deferred	1,795,653.93		1,708,429.53	35,768.18	31,206.69	20,249.53					2.
	3. Line 1 + Line 2	1,893,838.39		1,802,125.89	37,640.31	32,673.35	21,398.84					3.
	4. Advance	68,311.87		68,069.96	-0-	-0-	241.91	WITH	WITH	WITH		4.
	5. Line 3 — Line 4	1,825,526.52		1,734,055.93	37,640.31	32,673.35	21,156.93					5.
	6. Collected during year	5,800,136.87		5,515,166.09	101,727.05	88,272.40	94,971.33					6.
	7. Line 5 + Line 6	7,625,663.39		7,249,222.02	139,367.36	120,945.75	116,128.26	RENEWAL	RENEWAL	RENEWAL		7.
	8. Previous year (uncollected + deferred — advance)	1,666,510.64		1,594,135.75	30,426.30	29,014.37	12,934.22					8.
	9. First year premiums and considerations Line 7 — Line 8	5,959,152.75		5,655,086.27	108,941.06	91,931.38	103,194.04					9.
	SINGLE											
	10. Single premiums and considerations	531,217.10		72,203.90	-0-	-0-	459,013.20	-0-	-0-	-0-	-0-	10.
CURRENT YEAR	**RENEWAL**											
	11. Uncollected	2,731,440.35	INCLUDED	1,553,141.75	24,731.46	16,591.46	12,515.35	1,124,460.48	-0-	-0-	-0-	11.
	12. Deferred	9,734,768.45		9,314,451.25	174,048.42	128,927.09	117,341.69	-0-	-0-	-0-	-0-	12.
	13. Line 11 + Line 12	12,466,208.80		10,867,593.00	198,779.88	145,518.40	129,857.04	1,124,460.48	-0-	-0-	-0-	13.
	14. Advance	444,516.96	IN	303,345.05	-0-	-0-	4,298.69	18,511.00	-0-	-0-	118,362.22	14.
	15. Line 13 — Line 14	12,021,691.84		10,564,247.95	198,779.88	145,518.40	125,558.35	1,105,949.48	-0-	-0-	- 118,362.22	15.
	16. Collected during year	56,354,344.93	COLUMN (3)	38,431,248.70	661,310.36	459,427.78	2,264,443.56	9,039,860.02	175,104.76	-0-	5,322,949.75	16.
	17. Line 15 + Line 16	68,376,036.77		48,995,496.65	860,090.24	604,946.18	2,390,001.91	10,145,809.50	175,104.76	-0-	5,204,587.53	17.
	18. Previous year (uncollected + deferred — advance)	11,436,317.37		10,120,267.09	193,098.66	134,220.39	124,312.38	984,585.04	-0-	-0-	- 120,166.19	18.
	19. Renewal premiums and considerations Line 17 — Line 18	56,939,719.40		38,875,229.56	666,991.58	470,725.79	2,265,689.53	9,161,224.46	175,104.76	-0-	5,324,753.72	19.
	TOTAL											
	20. Total premiums and annuity considerations Lines 9, 10 and 19 (to agree with Item 1, Page 4)	63,430,089.25		44,602,519.73	775,932.64	562,657.17	2,827,896.77	9,161,224.46	175,104.76	-0-	5,324,753.72	20.
		PART 2—Dividends Applied, Reinsurance Ceded and Commissions Incurred										
	DIVIDENDS APPLIED (Included in Part 1)											
	21. To pay renewal premiums (Exhibit 7, Line 1)	-0-		-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	21.
	22. All other (Exhibit 7, Lines 2, 3 and 4)	106.88		106.88	-0-	-0-	-0-	-0-	-0-	-0-	-0-	22.
	REINSURANCE CEDED (Deducted in Part 1)		N									
	23. First year (other than single)	39,893.90	O	39,253.47	70.54	569.89	-0-	-0-	-0-	-0-	-0-	23.
	24. Single	-0-		-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	24.
	25. Renewal	38,440,978.85	N	455,146.58	2,552.00	9,311.49	-0-	30,221.13	-0-	35,152,730.59	2,791,017.06	25.
	26. Total	38,480,872.75		494,400.05	2,622.54	9,881.38	-0-	30,221.13	-0-	35,152,730.59	2,791,017.06	26.
	COMMISSIONS INCURRED		E									
	27. First year (other than single)	4,930,377.04		4,721,933.43	88,216.90	76,948.22	43,278.49	-0-	-0-	-0-	-0-	27.
	28. Single	21,336.99		2,653.59	-0-	-0-	18,683.40	-0-	-0-	-0-	-0-	28.
	29. Renewal	3,232,735.17		2,357,071.90	40,176.15	28,368.90	20,606.76	222,067.74	21,155.67	-0-	543,288.05	29.
	30. Total (to agree with Item 21, Page 5)	8,184,449.20		7,081,658.92	128,393.05	105,317.12	82,568.65	222,067.74	21,155.67	-0-	543,288.05	30.

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

EXHIBIT 2—NET INVESTMENT INCOME
(Accrual Basis)

		DOLLARS	CENTS
1.	Total interest, dividends and real estate income (Exhibit 3, Col. 7, Line 10)	20,138,578	.46
2.	Investment expenses (Exhibit 5, Col. 3, Line 13)	1,637,333	.72
3.	Taxes, licenses and fees, excluding federal income taxes (Exhibit 6, Col. 3, Line 10)	255,922	.89
4.	Depreciation on real estate	606,923	.59
5.			
6.	TOTAL (Lines 2 to 5 inclusive)	2,500,180	.20
7.	NET INVESTMENT INCOME — Line 1 less Line 6 (to Item 4, Page 4)	17,638,398	.26
8.	Ratio of net investment income to mean assets (see instructions)	4.20	%

EXHIBIT 3—INTEREST, DIVIDENDS AND REAL ESTATE INCOME

		COLLECTED DURING YEAR (1)	CURRENT YEAR UNEARNED (2)	CURRENT YEAR DUE (3)	CURRENT YEAR ACCRUED (4)	CURRENT YEAR NON-ADMITTED† (5)	PREVIOUS YEAR (3)+(4)−(2)−(5) (6)	EARNED DURING YEAR (1)−(2)+(3)+(4)−(5)−(6) (7)
1.	Interest on bonds	8,538,275.15	-0-	-0-	2,413,395.16	4,218.75	2,379,488.65	8,567,962.91
2.	Dividends on stocks	‡ 1,845,151.69	-0-	-0-	-0-	-0-	-0-	1,845,151.69
3.	Interest on mortgage loans	** 6,068,665.63	1,845.40	57,726.47	496,964.36	2,400.37	456,727.03	6,162,383.66
4.	Real estate income	*** 2,095,567.25	3,348.39	-0-	-474.17	-0-	-4,177.50	2,095,922.19
5.	Interest on premium notes, policy loans and liens	1,470,685.65	380,621.53	19,039.40	260.82	-0-	-344,971.03	1,454,335.37
6.	Interest on collateral loans	-0-	-0-	-0-	-0-	-0-	-0-	-0-
7.	Interest on bank deposits	-0-	-0-	-0-	-0-	-0-	-0-	-0-
8.	Interest in advance to Managers	7,908.63	-0-	-0-	-0-	-0-	-0-	7,908.63
9.	Interest on Premiums	4,914.01	-0-	-0-	-0-	-0-	-0-	4,914.01
9.1	Other invested assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-
10.	TOTALS	20,031,168.01	385,815.32	76,765.87	2,910,146.17	6,619.12	2,487,067.15	20,138,578.46

*Includes $ 41,670.44 accrual of discount less $ 75,365.10 amortization of premium and less $ 7,345.10 paid for accrued interest on purchases.

‡Excludes $ 2,402.22 paid for accrued dividends on purchases.

**Includes $ 205,942.59 accrual of discount less $ 16,654.50 amortization of premium and less $ 67,602.61 paid for accrued interest on purchases.

***Includes $ 436,068.46 for company's occupancy of its own buildings; and excludes $ 1,903.13 interest on encumbrances.

†State bases of exclusions:
Bonds non-amortizable bond
Stocks
Mortgage loans loans in foreclosure
Real estate
Collateral loans
Bank deposits
Other invested assets

*EXHIBIT 4—CAPITAL GAINS AND LOSSES ON INVESTMENTS

		INCREASE IN BOOK VALUE (1)	PROFIT ON SALE OR MATURITY (2)	DECREASE IN BOOK VALUE (3)	LOSS ON SALE OR MATURITY (4)	NET GAIN (+) OR LOSS (−) FROM CHANGE IN DIFFERENCE BETWEEN BOOK AND ADMITTED VALUES (5)	NET GAINS (+) OR LOSSES (−) (1)+(2)−(3)−(4)+(5) (6)
1.	Bonds	-0-	48,805.62	-0-	2,499.24	-57,500.00	-11,193.62
2.	Stocks	-0-	1,307,280.14	-0-	38,489.80	2,717,993.46	3,986,783.80
3	Mortgage loans	-0-	61,717.49	-0-	-0-	-0-	61,717.49
4.	Real estate	-0-	1,921.25	** -0-	-0-	-0-	1,921.25
5.	Premium notes, policy loans and liens	-0-	-0-	-0-	-0-	-0-	-0-
6.	Collateral loans	-0-	-0-	-0-	-0-	-0-	-0-
7.	Cash and bank deposits	105.75	-0-	-0-	-0-	-0-	105.75
8.	Foreign exchange	X X X	X X X	X X X	X X X	-11,953.54	-11,953.54
9.							
9.1	Other invested assets	-0-	-0-	-0-	-0-	-0-	-0-
10.	TOTALS	105.75	1,419,724.50	-0-	40,989.04	2,648,539.92	4,027,381.13
10.1	Less Federal income taxes incurred on capital gains (show figure in Col. 6)						-0-
10.2	Balance to Surplus Account, Page 4 (show figure in Col. 6)						4,027,381.13

DISTRIBUTION OF LINE 10.2, COL. (6). (Attach statement or memorandum explaining basis of division.)

11.	Net realized capital gains (+) or losses (−) on assets disposed of during the year $ 1,378,735.46, less $ -0- reflected in previous years' statements and less $ -0- federal income tax incurred on capital gains	1,378,735.46
12.	Net unrealized capital gains (+) or losses (−) of the year	2,648,645.67

*Adjustments due to amortization to be reported in Exhibit 3.

**Excluding $ 606,923.59 depreciation on real estate included in Exhibit 2, Line 4.

EXHIBIT 5—GENERAL EXPENSES

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

		INSURANCE		INVESTMENT	TOTAL
		LIFE (1)	ACCIDENT AND HEALTH (2)	(3)	(4)
1.	Rent	412,084.21	43,263.99	37,580.25	492,928.45
2.	Salaries and wages	3,285,973.90	325,846.52	371,074.82	3,982,895.24
3.11	*Contributions for benefit plans for employees	306,565.82	26,151.83	30,748.99	363,466.64
3.12	*Contributions for benefit plans for agents	3,028.01	128.83	-0-	3,156.84
3.21	Payments to employees under non-funded benefit programs	-0-	-0-	-0-	-0-
3.22	Payments to agents under non-funded benefit programs	-0-	-0-	-0-	-0-
3.31	Other employee welfare	26,591.46	2,756.66	2,262.91	31,611.03
3.32	Other agent welfare	-0-	-0-	-0-	-0-
3.4					
4.1	Legal fees and expenses	71,383.43	27.16	841.50	72,252.09
4.2	Medical examination fees	187,357.38	1.22	.52	187,359.12
4.3	Inspection report fees	177,569.06	30.45	152.26	177,751.77
4.4	Fees of public accountants and consulting actuaries	22,139.27	618.23	87.37	22,844.87
4.5	Expense of investigation and settlement of policy claims	23,234.23	34,817.31	-0-	58,051.54
4.6					
5.1	Traveling expenses	263,260.36	18,586.43	19,953.53	301,800.32
5.2	Advertising	344,026.33	256.72	73.45	344,356.50
5.3	Postage, express, telegraph and telephone	199,476.17	30,669.85	14,585.69	244,731.71
5.4	Printing and stationery	312,191.32	22,685.78	16,281.93	351,149.03
5.5	Cost or depreciation of furniture and equipment	272,842.83	28,608.09	18,746.61	320,197.53
5.6	Rental of equipment	111,289.39	7,894.89	6,078.05	125,262.33
5.7					
6.1	Books and periodicals	12,608.85	181.36	1,688.02	14,478.23
6.2	Bureau and association dues	61,842.86	21.09	562.63	62,426.58
6.3	Insurance, except on real estate	14,325.61	702.96	4,747.07	19,775.64
6.4	Miscellaneous losses	331.40	-0-	-0-	331.40
6.5	Collection and bank service charges	5,947.31	587.06	2,551.90	9,086.27
6.6	Sundry general expenses	32,381.93	449.34	6,881.55	39,712.82
6.7	Group service and administration fees	114,544.45	-0-	-0-	114,544.45
6.8	Contributions to charitable organizations	112,723.96	81.66	122.72	112,928.34
7.1	Agency expense allowance	412,886.93	179.39	.27	413,066.59
7.2	Agents' balances charged off (less $ -0- recovered)	1,642.28	-0-	-0-	1,642.28
7.3	Agency conferences other than local meetings	25,709.23	1,570.98	33.55	27,313.76
8.1	Merchandise for production awards	126,082.98	-0-	-0-	126,082.98
8.2	Allowance for reinsurance assumed	- 8,380.35	-0-	-0-	- 8,380.35
9.1	Real estate expenses	-0-	-0-	580,864.63	580,864.63
9.2	Investment expenses not included elsewhere	-0-	-0-	496,237.85	496,237.85
9.3	Reimbursement on reinsurance ceded	- 1,090.00	-0-	-0-	- 1,090.00
10.	GENERAL EXPENSES PAID	6,930,560.61	546,117.80	1,612,158.07	9,088,836.48 (To Line 27, Exhibit 12)
11.	General expenses unpaid December 31, current year	461,181.10	71,671.41	67,355.47	600,207.98
12.	General expenses unpaid December 31, previous year	357,536.89	66,978.08	42,179.82	466,694.79
13.	General expenses incurred during year (10+11—12)	7,034,204.82 (To Item 23, Page 4)	550,811.13	1,637,333.72 (To Line 2, Exhibit 2)	9,222,349.67

A. Compensation to agents on a plan other than commissions, included in Col. (1): First year $ 126,082.98 , Renewal $ -0-

B. Agency supervision, except Home Office, included in Col. (1): Line 2 $ 50,582.06 , Line 5.1 $ -0- , Line 7.3 $ 15,833.74

C. Branch office expenses other than those in A and B included in Col. (1): Line 1 $ 11,640.93 , Line 2 $ 82,119.78 , All other lines $ 89,733.03

*These items include $ -0- on account of prior service.

EXHIBIT 6—TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

		INSURANCE		INVESTMENT	TOTAL
		LIFE (1)	ACCIDENT AND HEALTH (2)	(3)	(4)
1.	Real estate taxes	-0-	-0-	252,116.06	252,116.06
2.	State insurance department licenses and fees	20,960.58	410.34	-0-	21,370.92
3.	State taxes on premiums	1,059,294.92	123,757.99	-0-	1,183,052.91
4.	Other state taxes, incl. $ 16,375.14 Social Security	18,564.73	1,780.73	-0-	20,345.46
5.	U. S. Social Security taxes	113,846.95	11,521.74	-0-	125,368.69
6.	All other taxes	50,595.19	1,064.90	-0-	51,660.09
7.	TAXES, LICENSES AND FEES PAID	1,263,262.37	138,535.70	252,116.06	1,653,914.13 (To Line 28.1, Exhibit 12)
8.	Taxes, licenses and fees unpaid December 31, current year	1,022,506.62	108,004.19	62,664.44	1,193,175.25
9.	Taxes, licenses and fees unpaid December 31, previous year	933,732.55	118,736.42	58,857.61	1,111,326.58
10.	Taxes, licenses and fees incurred during year (7+8—9)	1,352,036.44 (To Item 24, Page 4)	127,803.47	255,922.89 (To Line 3, Exhibit 2)	1,735,762.80

NOTE: Canadian and other foreign taxes are included appropriately in Lines 1, 2, 3, 4 and 6.

EXHIBIT 7—DIVIDENDS TO POLICYHOLDERS

		LIFE	ACCIDENT AND HEALTH
1.	Applied to pay renewal premiums	-0-	-0-
2.	Applied to shorten the endowment or premium-paying period	-0-	-0-
3.	Applied to provide paid-up additions	106.88	-0-
4.	Applied to provide paid-up annuities	-0-	-0-
5.	TOTAL LINES 1-4	106.88	-0-
6.	Paid in cash	24,591.74	-0-
7.	Left on deposit with the company	515.72	-0-
8.			
9.	TOTAL LINES 5-8	25,214.34	-0-
10.	Amount due and unpaid (Item 6, page 3)	-0-	-0-
11.	Provision for annual dividend policies, including $ -0- terminal dividends (Item 7, page 3, in part)	34,566.85	-0-
12.	Provision for deferred dividend policies (Item 7, page 3, in part)	-0-	-0-
13.	TOTAL LINES 10-12	34,566.85	-0-
14.	Line 13 of previous year	24,889.64	-0-
15.	TOTAL DIVIDENDS TO POLICYHOLDERS (Lines 9+13—14)	34,891.55 (To Item 29, Page 4)	-0- (To Item 30, Page 4)

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

EXHIBIT 8—AGGREGATE RESERVE FOR LIFE POLICIES AND CONTRACTS

Valuation Standard (Indicate mortality and interest bases and valuation method by years of issue and in the case of annuities indicate whether immediate, deferred or both) (1)	Total (2)	Industrial (3)	Ordinary (4)	Group (5)
A. Life Insurance:				
1. Am. Exp. 3½% Net Level 1926-1941	40,055,014		40,055,014	
2. Standard Intermediate 3½% Net Level 1936-1941	117,486		117,486	
3.				
4. Am. Exp. 3.00% Net Level 1942-1947	98,032,838		98,032,838	
5. 1941 C.S.O. 3.00% Net Level 1947-1963 NB	5,775,889		5,775,889	
6. 1941 C.S.O. 3.00% Canadian Std. 1960-1963 NB	228,451		228,451	
7. 1941 Std. Industrial 3.00% N.L. 1947-1955	22,590	22,590		
8. 1941 Sub Std. Industrial 3.00% N.L. 1947-1955	5,588	5,588		
9. 1941 C.S.O. 3.00% N.J. Std. 1960-1963 NB	5,409,456		5,409,456	
10. 1941 C.S.O. 3.00% Unearned Premium 1944-1963 NB	247,934			247,934
11.				
12.				
13. 1941 C.S.O. 2½% CRVM 1960-1963 NB	8,635,897		8,635,897	
14. 1941 C.S.O. 2½% Net Level 1948-1963 NB	150,444,111		150,444,111	
15. 1941 C.S.O. 2½% Canadian Std. 1960-1963 NB	46,803		46,803	
16.				
17. Reserve for Extra Premium Ratings 1926-1963 NB	236,079		236,079	
18. Reserve for Conversion	646,331		646,331	
19.				
20.				
21.				
22.				
23. Total (Gross)	309,904,517	28,178	309,628,405	247,934
24. Reinsurance ceded	312,785	-0-	312,785	-0-
25. Total (Net)	309,591,732	28,178	309,315,620	247,934
B. Annuities (excluding supplementary contracts with life contingencies):				
1. Immediate:		X X X		
2. American Annuitants Table 3½%	33,995	X X X	33,995	
3. 1937 Standard Annuity Table 3.00% NB	645,610	X X X	645,610	
4. 1937 Standard Annuity Table 2½%	6,104,495	X X X	6,104,495	
5. 1951 G.A. 3½%	102,438	X X X		102,438
6.		X X X		
7.		X X X		
8. Deferred Retirement Annuities:		X X X		
9. 3½% NB	1,270,628	X X X	1,270,628	
10. 3.00% NB	4,096,630	X X X	4,096,630	
11. 2½%	18,068,811	X X X	18,068,811	
12.		X X X		
13.		X X X		
14.		X X X		
15. Canadian Employees Retirement Fund Accumu-		X X X		
16. lating at Varying Interest Rate	342,331	X X X		342,331
17.		X X X		
18.		X X X		
19.		X X X		
20.		X X X		
21.		X X X		
22.		X X X		
23. Total (Gross)	30,664,938	X X X	30,220,169	444,769
24. Reinsurance ceded	-0-	X X X	-0-	-0-
25. Total (Net)	30,664,938	X X X	30,220,169	444,769
C. Supplementary Contracts With Life Contingencies:				
1. 1937 Standard Annuity @ 2.00%	5,239		5,239	
2. 1937 Standard Annuity @ 2½%	2,788,977		2,788,977	
3. 1937 Standard Annuity @ 3.00%	126,796		126,796	
4. 1941 C.S.O. @ 2½%	153,907		153,907	
5. Total (Gross)	3,074,919		3,074,919	
6. Reinsurance ceded	-0-		-0-	
7. Total (Net)	3,074,919		3,074,919	
D. Accidental Death Benefits:				
1. 1926-33 Inter-Company Table @ 2½%	515,196		515,196	
2.				
3.				
4.				
5. Total (Gross)	515,196		515,196	
6. Reinsurance ceded	4,878		4,878	
7. Total (Net)	510,318		510,318	
E. Disability—Active Lives:				
1. 150% and 165% Class III Table @ 2½%	1,137,410		1,137,410	
2. 100% Class III Table @ 3.00%	111,297		111,297	
3. Unearned Premiums - Payor Waiver	78,433		78,433	
4.				
5.				
6.				
7. Total (Gross)	1,327,140		1,327,140	
8. Reinsurance ceded	5,548		5,548	
9. Total (Net)	1,321,592		1,321,592	
F. Disability—Disabled Lives:				
1. Class III @ 3.00%	8,356		8,356	
2. Class III @ 2½%	850,791		850,791	
3. C.S.O. @ 2½%	9,895		9,895	
4. Incomplete or Unreported	183,559		183,559	
5. 150% 1941 C.S.O. @ 2½%	924,050			924,050
6.				
7. Total (Gross)	1,976,651		1,052,601	924,050
8. Reinsurance ceded	90,797		90,797	-0-
9. Total (Net)	1,885,854		961,804	924,050

UNITED BENEFIT LIFE INSURANCE COMPANY

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Special class cases prior to 1948 were issued on multiple mortality tables and are so valued. Special class cases issued subsequently are valued on standard tables, and an additional reserve equal to 65% of the gross extra premiums in force is set up. Extra premiums for occupation only are considered to cover a hazard which is either level or increases so slightly with advancing age of the insured that it is more than offset by the reducing net at risk. For that reason an additional reserve of 50% of the extra premiums is used.

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

EXHIBIT 8—AGGREGATE RESERVE FOR LIFE POLICIES AND CONTRACTS (Continued)

Valuation Standard (Indicate mortality and interest bases and valuation method by years of issue) (1)	Total (2)	Industrial (3)	Ordinary (4)	Group (5)
G. Miscellaneous Reserves:				
1. For excess of valuation net premiums over corresponding gross premiums on respective policies, computed according to the standard of valuation required by this state	4,889,936		4,889,936	
2. For non-deduction of deferred fractional premiums or return of premiums at the death of the insured	656,790		656,790	
3. For surrender values in excess of reserves otherwise required and carried in this schedule				
4.				
5.				
6.				
7. Total (Gross)	5,546,726		5,546,726	
8. Reinsurance ceded	-0-		-0-	
9. Total (Net)	5,546,726		5,546,726	
H. Grand Total (Net)—Item 1, Page 3	352,596,079	28,178	350,951,148	1,616,753

EXHIBIT 8A—CHANGES IN BASES OF VALUATION DURING THE YEAR
(Including supplementary contracts set up on a basis other than that used to determine benefits)

	Description of Valuation Class	Valuation Bases Changed from	Valuation Bases Changed to	Increase in Actuarial Reserve Due to Change
1.	Deferred Annuities Going into Benefit	Various	1937 Std.Ann. 2½&3.00%	24,734
2.	Supplementary Contracts with Life Contingencies (New)	Various	1937 Std.Ann. 2½&3.00%	8,043
3.	Supplementary Contracts without Life Contingencies (New)	3.00%	2½	652
4.				
5.				
6.				
7.	Total (to agree with Item 7, Page 6)			33,429

GENERAL INTERROGATORIES

1. Has the company ever issued both participating and non-participating policies? Answer: No *See Below
2. Does the company at present issue both participating and non-participating policies? Answer: No
   If not, state which kind is issued.
   Answer: Non-participating Only
3. State the amount of insurance, if any, on which the gross premiums are less than the net premiums according to the standard of valuation required by this State.
   Answer: $ 230,614,001
   The additional reserve to cover deficiencies in gross premiums must be included in Exhibit 8. If not reported in G. 1. above, state amount $
4. Does the Company waive deduction of deferred fractional premiums at death on any of its business?
   Answer: Yes
5. State the amounts of insurance in force under each of the following plans:

	Non-Participating	Participating Annual Div.	Participating Def. Div.
Industrial	357,700		
Ordinary	1,790,876,782	41,108,327	52,000
Group	1,457,172,587		
Totals	3,248,407,069	41,108,327	52,000

6. Is any surrender value promised in excess of the reserve as legally computed? Answer: No If so, the amount of such excess must be included in G.3 above. Has this been done? Answer:
7. Attach statement of methods employed in the valuation of policies issued at, or subsequently subject to, an extra premium or in the valuation of policies otherwise issued on lives classed as substandard for the plan of contract issued or on special class lives (including paid-up insurance).
8. Has the company any assessment or stipulated premium policies in force?
   Answer: No If so, state:
   Amount of insurance $
   Amount of reserve $
   Basis of reserve:
   Basis of regular assessments:
   Basis of special assessments:
   Assessments collected during year $

EXHIBIT 9—AGGREGATE RESERVE AND POLICY CLAIM LIABILITY FOR ACCIDENT AND HEALTH POLICIES

	Total (1)	Group Accident and Health (2)	Individual Policies: Accident Only (3)	Individual Policies: Accident and Health (4)	Individual Policies: Non-Cancellable Accident and Health (5)	Individual Policies: Hospital and Medical Expenses (6)
PART 1—Aggregate Reserve						
1. Unearned premium reserve	2,536,617.55	220,194.00	1,457.07	948,823.14	51,930.33	1,314,213.01
2. Additional reserves for guaranteed renewable policies*	562,825.00	-0-	-0-	320,408.29	242,416.71	-0-
3. Present value of amounts not yet due on claims	4,973,014.05	106,669.44	-0-	4,323,726.83	53,968.55	488,649.23
4. Reserve for future contingent benefits (deferred maternity and other similar benefits)	945,619.60	945,619.60	-0-	-0-	-0-	-0-
5. Retrospective Rating	569,472.94	569,472.94	-0-	-0-	-0-	-0-
6.						
7. Total (Gross)	9,587,549.14	1,841,955.98	1,457.07	5,592,958.26	348,315.59	1,802,862.24
8. Reinsurance ceded	3,801,911.98	1,841,955.98	99.87	964,613.55	285,520.24	709,722.34
9. Total (Net) (to Item 2, Page 3)	5,785,637.16	-0-	1,357.20	4,628,344.71	62,795.35	1,093,139.90
PART 2—Policy Claim Liability End of Current Year						
1. Due and unpaid	1,050,865.70	955,458.95	3,786.35	65,921.13	1,567.46	24,131.81
2. In course of settlement	2,337,106.81	1,047,139.97	2,667.60	805,758.62	35,056.42	446,484.20
3. Incurred but unreported (less reinsurance ceded)	† 399,450.49	-0-	427.79	233,236.22	1,211.76	164,574.72
4. Total	3,787,423.00	2,002,598.92	6,881.74	1,104,915.97	37,835.64	635,190.73
5. Less amounts recoverable on unpaid losses for reinsurance ceded (Schedule S)	2,420,748.97	2,002,598.92	4,786.35	214,908.43	15,996.33	182,458.94
6. Net Liability (to Item 4.2, Page 3)	1,366,674.03	-0-	2,095.39	890,007.54	21,839.31	452,731.79

*Attach statement as to valuation standard used in calculating this reserve.

†Include portion of liability applicable to assume "accrued" payments. Reserve for unaccrued payments appears in Item 2, Page 3 (see Part 1).

EXHIBIT 10—SUPPLEMENTARY CONTRACTS WITHOUT LIFE CONTINGENCIES AND DIVIDEND ACCUMULATIONS

	Valuation Rate (1)	Contract Rate or Rates ‡ (2)	Supplementary Contracts without Life Contingencies: Present Value of Amounts Not Yet Due (3)	Supplementary Contracts without Life Contingencies: Amounts Left on Deposit (4)	Supplementary Contracts without Life Contingencies: Totals (5)	Dividend Accumulations (6)
1.	0	0	-0-	-0-	-0-	-0-
2.	2	2	481,840	346,871	828,711	-0-
3.	2½	2½, 3, 3½, 4	2,207,567	112,361	2,319,928	-0-
4.	3	3	235,657	623,405	859,062	-0-
5.	3½	2, 2½, 3, 3½	30,960	583,332	614,292	18,744
6.	4	4	-0-	-0-	-0-	2,738
7.	Totals (as per Items 3 and 5, Page 3)		2,956,024	1,665,969	4,621,993	21,482

‡Show contract rate or rates corresponding to each valuation rate.

*Certain non-participating limited payment life policies no longer issued contained provision for payment, after becoming fully paid, of such dividend as may be declared by the Board of Directors.

EXHIBIT 11—POLICY AND CONTRACT CLAIMS FOR OTHER THAN ACCIDENT AND HEALTH POLICIES

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

PART 1—Liability End of Current Year

	Total (1)	Industrial Life (Including Total and Permanent Disability and Accidental Death Benefits) (2)	Ordinary: Life Insurance (3)	Ordinary: Total and Permanent Disability (4)	Ordinary: Additional Accidental Death (5)	Ordinary: Individual Annuities (6)	Ordinary: Supplementary Contracts (7)	Group: Life Insurance (8)	Group: Annuities (9)
1. Due and unpaid	-0-		-0-	-0-	-0-	-0-	-0-	-0-	-0-
2. In course of settlement:									
2.1 Resisted	124,290.00	INCLUDED	63,790.00	† -0-	-0-	-0-	-0-	60,500.00	-0-
2.2 Other	1,402,112.01	IN	888,712.47	† 807.40	67,960.00	70,210.24	-0-	374,421.90	-0-
3. Incurred but unreported (less reinsurance ceded)	1,290,185.17	COLUMN (3)	328,454.26	† 12,243.54	-0-	30,280.86	-0-	919,206.51	-0-
4. Total	2,816,587.18		1,280,956.73	13,050.94	67,960.00	100,491.10	-0-	1,354,128.41	-0-
5. Less amounts recoverable on unpaid losses for reinsurance ceded (Schedule S)	4,476.00		4,476.00	-0-	-0-	-0-	-0-	-0-	-0-
6. NET LIABILITY (Column 1 to Item 4.1, Page 3)	2,812,111.18		** 1,276,480.73	13,050.94	67,960.00	100,491.10	-0-	1,354,128.41	-0-

*Including matured endowments unpaid amounting to $ -0- **Including matured endowments unpaid amounting to $ 33,256.00

†Include only portion of liability applicable to assumed "accrued" payments. Reserve for unaccrued payments $ 182,990.00 appears in Item 1, Page 3. (See Exhibit 8, Section F.)

PART 2—Incurred During the Year

	Total (1)	Industrial Life (Including Total and Permanent Disability and Accidental Death Benefits) (2)*	Ordinary: Life Insurance (3)**	Ordinary: Total and Permanent Disability (4)	Ordinary: Additional Accidental Death (5)	Ordinary: Individual Annuities (6)	Ordinary: Supplementary Contracts (7)	Group: Life Insurance (8)	Group: Annuities (9)
1. Settlements during the year	22,357,177.68		12,098,600.78	177,132.16	256,601.00	1,944,898.04	1,091,634.63	6,780,256.10	8,054.97
2. Deduct reinsurance ceded	302,195.04	INCLUDED	261,335.00	14,110.04	-0-	-0-	-0-	26,750.00	-0-
3. Net settlements (Line 1 minus Line 2)	† 22,054,982.64	IN	11,837,265.78	163,022.12	256,601.00	1,944,898.04	1,091,634.63	6,753,506.10	8,054.97
4. Net liability December 31, current year from Part 1	2,812,111.18	COLUMN (3)	1,276,480.73	13,050.94	67,960.00	100,491.10	-0-	1,354,128.41	-0-
5. Amounts recoverable on paid losses for reinsurance ceded December 31, previous year	2,680.00		2,680.00	-0-	-0-	-0-	-0-	-0-	-0-
6. Line 3 plus Line 4 plus Line 5	24,869,773.82		13,116,426.51	176,073.06	324,561.00	2,045,389.14	1,091,634.63	8,107,634.51	8,054.97
7. Net liability December 31, previous year	2,362,523.78		996,003.05	10,943.20	25,166.00	71,589.64	-0-	1,258,821.89	-0-
8. Amounts recoverable on paid losses for reinsurance ceded December 31, current year (Schedule S)	7,446.00		1,446.00	-0-	-0-	-0-	-0-	6,000.00	-0-
9. Line 7 plus Line 8	2,369,969.78		997,449.05	10,943.20	25,166.00	71,589.64	-0-	1,264,821.89	-0-
10. NET INCURRED CLAIMS (Line 6 minus Line 9)	22,499,804.04		12,118,977.46	165,129.86	299,395.00	1,973,799.50	1,091,634.63	6,842,812.62	8,054.97

*Including matured endowments amounting to $ -0- in Line 1 and $ -0- in Line 10. **Inciuding matured endowments amounting to $ 2,362,036.90 in Line 1 and $ 2,364,796.90 in Line 10.

†Equals sum of Lines 16.1 17 and 22, Exhibit 12. Includes $ 121,075.39 premiums waived under total and permanent disability benefits.

EXCEPT FOR ITEMS 14A, 15, 37A AND 38-41, THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

EXHIBIT 12—RECONCILIATION OF LEDGER ASSETS

			DOLLARS	CENTS
INCREASES IN LEDGER ASSETS				
1.	Premiums on life policies and annuity considerations (see Exhibit 1, Part 1)		57,362,749.15	
2.	Accident and health cash premiums, including $ -0- policy, membership and other fees		5,322,949.75	
3.	Consideration for supplementary contracts with life contingencies		169,173.33	
4.	Consideration for supplementary contracts without life contingencies including $ -0- disability		1,030,340.46	
5.	Dividends left with the Company to accumulate at interest		515.72	
6.	Interest, dividends and real estate income (Exhibit 3, Column 1)		20,031,168.01	
7.	Increase of paid-up capital during the year		-0-	
8.	From other sources (give items and amounts):			
8.1	Coupon Deposits $5,682.28; Accumulated Savings Fund $1,448.69		7,130.97	
8.2	Separate Account Expense Allowance		25,078.53	
8.3	Deposit Administration Funds		739,103.25	
9.	Borrowed money gross $ -0-, less amount repaid $ -0-		-0-	
10.	Sundry Receipts		13,036.58	
11.				
12.				
13.	From sale or maturity of ledger assets (Exhibit 4, Column 2)		1,419,724.50	
14.	By adjustment in book value of ledger assets (Exhibit 4, Column 1)		105.75	
14A.	Separate Account Business (see Separate Account Statement)		102,737.21	
15.	TOTAL INCREASES IN LEDGER ASSETS		86,214,813.21	
DECREASES IN LEDGER ASSETS				
16.	Policy and contract claims:			
16.1	Life (see Exhibit 11, Part 2)	19,010,395.00		
16.2	Accident and health	3,853,971.01		
17.	For annuities with life contingencies, excluding payments on supplementary contracts (including cash refund payments)	1,952,953.01		
18.	Premium notes and liens voided by lapse, less $ -0- restorations	-0-		
19.	Surrender values	7,694,624.70		
19A.	Group conversions	21,800.88		
19B.	Interest on policy or contract funds	36,252.36		
20.	Dividends to policyholders:			
20.1	Life insurance and annuities (Exhibit 7)	25,214.34		
20.2	Accident and health (Exhibit 7)	-0-		
21.	TOTAL PAID POLICYHOLDERS		32,595,211.30	
22.	Paid for claims on supplementary contracts:			
22.1	With life contingencies	262,789.41		
22.2	Without life contingencies	828,845.22	1,091,634.63	
23.	Dividends and interest thereon held on deposit disbursed during the year		1,433.65	
24.	Decrease in ledger liabilities		90,992.16	
25.				
26.	Commissions to agents (less commissions on reinsurance):			
26.1	Life insurance and annuities (including $ -0- commuted commissions)	7,520,608.37		
26.2	Accident and health (including $ -0- commuted commissions)	543,553.80		
26.3	Policy, membership and other fees retained by agents	-0-	8,064,162.17	
27.	General expenses (Exhibit 5, Line 10)		9,088,836.48	
28.1	Taxes, licenses and fees, excluding federal income taxes (Exhibit 6, Line 7)		1,653,914.13	
28.2	Federal income taxes (including $ -0- on capital gains)		1,858,765.40	
29.	Decrease of paid-up capital during the year		-0-	
30.	Paid stockholders for dividends (cash $ 500,000.00, stock $ -0-)		500,000.00	
31.	Borrowed money repaid gross $ -0- less amount borrowed $ -0-		-0-	
32.	Interest on borrowed money		-0-	
33.	Coupons $7,787.80; Accumulated Savings $7,573.51		15,361.31	
34.	Prior year expense adjustment		7,844.68	
35.	Payments made on territories transferred		76,906.93	
36.	From sale or maturity of ledger assets (Exhibit 4, Column 4)		40,989.04	
37.	By adjustment in book value of ledger assets (Exhibit 4, Column 3 and Exhibit 2, Line 4)		606,923.59	
37A.	Separate Account Business (see Separate Account Statement)		29,139.73	
38.	TOTAL DECREASES IN LEDGER ASSETS		55,722,115.20	
RECONCILIATION BETWEEN YEARS				
39.	Amount of ledger assets December 31st of previous year		397,709,670.97	
40.	Increase (+) or decrease (—) in ledger assets during the year (Line 15 minus Line 38)		30,492,698.01	
41.	TOTAL = LEDGER ASSETS DECEMBER 31ST OF CURRENT YEAR		428,202,368.98	

EXCEPT FOR ITEMS 25A AND 26, THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

EXHIBIT 13—ASSETS

	Ledger Assets (1)	Non-Ledger Assets (2)	Assets Not Admitted (3)	Net Admitted Assets (4)
1. Bonds	225,242,162.26	-0-	117,500.00	225,124,662.26
2. Stocks	37,709,839.63	16,350,233.85	-0-	54,060,073.48
3. Mortgage loans on real estate:				
3.1 First liens	120,128,758.75	-0-	-0-	120,128,758.75
3.2 Other than first liens	-0-	-0-	-0-	-0-
4. Real estate (less $ 26,875.00 encumbrances):				
4.1 Properties occupied by the company	9,444,188.78	-0-	-0-	9,444,188.78
4.2 Properties acquired in satisfaction of debt	58,087.52	-0-	-0-	58,087.52
4.3 Investment real estate	3,498,813.55	-0-	-0-	3,498,813.55
5. Policy loans	27,597,973.77	-0-	-0-	27,597,973.77
6. Premium notes (including $ -0- for first year premiums)	-0-	-0-	-0-	-0-
7. Collateral loans	-0-	-0-	-0-	-0-
8. Cash and bank deposits:				
8.1 Cash in company's office	13,840.80	-0-	-0-	13,840.80
8.2 Deposits in banks and trust companies (Schedule E)	2,958,079.50	-0-	-0-	2,958,079.50
9. U. S. Premium Loans	1,538.94	-0-	-0-	1,538.94
10. Other invested assets	-0-	-0-	-0-	-0-
11. Amounts recoverable from reinsurers	-0-	7,446.00	-0-	7,446.00
12. Other assets (give items and amounts):				
12.1 Agents' balances (debit $228,763.36 credit $288,174.16	-59,410.80	-0-	-59,410.80	-0-
12.2 Bills receivable	16,025.00	-0-	16,025.00	-0-
12.3 Furniture and equipment	1,173,407.20	-0-	655,764.26	517,642.94
12.4 Cash advanced to or in hands of officers or agents	-0-	-0-	-0-	-0-
12.5 Loans on personal security, endorsed or not	-0-	-0-	-0-	-0-
12.6 Advance Traveling Expense	11,546.74	-0-	11,546.74	-0-
13. Managers Annuity Account	1,154.91	-0-	-0-	1,154.91
14. Premiums in course of collection	131,464.11	-0-	15,296.78	116,167.33
15.				
16.				
17. Life insurance premiums and annuity considerations deferred and uncollected on in force Dec. 31st of current year (less premiums on reinsurance ceded):				
17.1 Industrial uncollected (excluding $ -0- loading) -0-				
17.2 Ordinary deferred and uncollected—New business (excluding $ 1,152,565.30 loading) 741,273.09				
17.3 Ordinary deferred and uncollected—Renewal (excluding $ 1,459,455.29 loading) 9,882,293.03				
17.4 Group life deferred and uncollected (excluding $ 75,599.00 loading) 1,048,861.48				
17.5 Group annuity uncollected (excluding $ -0- loading) -0-				
17.6 TOTAL (to Col. 2)	-0-	11,672,427.60	-0-	11,672,427.60
18. Accident and health premiums due and unpaid	-0-	-0-	-0-	-0-
19. Interest and real estate income due and accrued:				
19.1 Interest due and accrued	-0-	2,987,386.21	6,619.12	2,980,767.09
19.2 Real estate income due and accrued	-0-	-474.17	-0-	-474.17
19.3				
20. Net adjustment in assets and liabilities due to foreign exchange rates	-0-	-0-	-0-	-0-
21.				
22.				
23.				
24.				
25.				
25A. Separate Account Business (see Separate Account Statement)	274,898.32	12,623.89	1,231.88	286,290.33
26. TOTALS	428,202,368.98	31,029,643.38	764,572.98	458,467,439.38

EXHIBIT 14—ANALYSIS OF NON-ADMITTED ASSETS AND RELATED ITEMS
(Excluding Investment Adjustments Not Listed)

	End of Previous Year (1)	End of Current Year (2)	Changes for Year Increase (—) or Decrease (+) (3)
27. Company's stock owned	-0-	-0-	X X X X X
28. Loans on company's stock	-0-	-0-	-0-
29. Supplies, stationery, printed matter	-0-	-0-	-0-
30. Furniture and equipment	851,562.93	655,764.26	195,798.67
31. Commuted commissions	-0-	-0-	X X X X X
32. Agents' balances (net)	-135,873.91	-59,410.80	-76,463.11
33. Cash advanced to or in the hands of officers or agents	-0-	-0-	-0-
34. Loans on personal security endorsed or not	-0-	-0-	-0-
35. Bills receivable	17,625.00	16,025.00	1,600.00
36. Premium notes, etc., in excess of net value and other policy liabilities on individual policies	-0-	-0-	X X X X X
37. Accident and health premiums due and unpaid, effective prior to October 1	-0-	-0-	-0-
38. Other assets not admitted (itemize)			
38.1 Advance Traveling Expenses	8,953.08	11,546.74	-2,593.66
38.2 Premiums in course of collection	16,290.05	15,296.78	993.27
38.3			
39. Agents' credit balances (Page 3, Item 10-void)	307,788.49	288,174.16	19,614.33
40. TOTAL CHANGE (Col. 3)*	X X X X X	X X X X X	138,949.50

*(Carry to Item 40, page 4 if (+), or to Item 47, page 4 if (—))

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

EXHIBITS OF INSURANCE POLICIES—PAID-FOR BUSINESS ONLY

ORDINARY BUSINESS

The following is a correct statement of the **ORDINARY** business of the year on policy account as it stood at close of business December 31. Additional accidental Death Benefits provided in life policies must **NOT** be included in this exhibit.

CLASSIFICATION	1. Whole Life and Endowment Policies (Excluding Group)		2. Term and Other Policies (Excluding Group), including Return Premium Additions		3. Group Policies			4. Additions to Policies by Dividends	5. Total Numbers and Amounts	
					Number of					
	No.	Amount	No.	Amount	Policies	Certificates	Amount	Amount	No. of Policies	Amount
1. At end of previous year	476,308	1,390,150,648	41,488	324,969,887	1,157	771,995	1,207,749,462	6,931	518,953	2,922,876,928
2. *Issued during year	38,289	210,802,361	8,267	104,461,181	399	54,645	§ 190,542,476	-0-	46,955	505,806,016
2A. †Reinsurance assumed	-0-	-0-	203	4,570,017	-0-	-0-	-0-	-0-	203	4,570,017
3. Revived during year	320	1,531,467	46	382,370	-0-	-0-	-0-	8	366	1,913,845
4. **Increased during year	-0-	3,656,224	-0-	372,933			16,755 88,932,044	170	-0-	92,861,371
4A. **Totals, lines 2 to 4, inclusive**	38,609	215,990,052	8,516	109,786,501	399	71,400	279,374,518	178	47,524	605,151,249
5. **Totals before transfers**	514,917	1,606,140,700	50,004	434,756,388	1,556	843,395	1,487,123,980	7,109		
TRANSFERS:										
6. Deductions	12,344	37,134,271	653	2,366,721	-0-	-0-	-0-	-0-	12,997	
7. Additions	9,708	28,591,194	3,318	10,909,798	-0-	-0-	-0-	-0-	13,026	
8. **Balance of transfers**	2,636	8,543,077	2,665	8,543,077	-0-	-0-	-0-	-0-	29	
9. **Totals after transfers**	512,281	1,597,597,623	52,669	443,299,465	1,556	843,395	1,487,123,980	7,109	566,506	3,528,028,177
DEDUCT CEASED BY:										
10. Death	3,395	9,040,656	167	1,027,666		1,724	6,739,869	63	3,562	16,808,254
11. Maturity	1,152	1,808,663	116	116,697		-0-	-0-	-0-	1,268	1,925,360
12. Disability	-0-	-0-	-0-	-0-		-0-	1,545	-0-	-0-	1,545
13. Expiry	-0-	-0-	2,265	5,131,625	-0-	-0-	-0-	-0-	2,265	5,131,625
14. Surrender	10,956	35,738,588	169	503,902	-0-	-0-	-0-	362	11,125	36,242,852
15. Lapse	16,832	82,499,236	5,347	55,555,482	241	7,632	23,209,979	-0-	22,420	161,264,697
16. Decrease	-0-	8,201,456	-0-	9,242,681		-0-	-0-	8	-0-	17,444,148
17. **Withdrawal*						-0-	-0-			-0-
17A. ‡Reinsurance ceded	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
18. **Total terminated**	32,335	137,288,599	8,064	71,578,056	241	9,356	29,951,393	433	40,640	238,818,481
19. (a) Outstanding end of year	479,946	1,460,309,024	44,605	371,721,409	1,315	§§ 834,039	1,457,172,587	6,676	525,866	3,289,209,696
20. Reinsurance ceded end of year	5	9,000	2,674	40,928,407	3	5,855	19,050,000	-0-	2,682	59,987,407

INDUSTRIAL BUSINESS

The following is a correct statement of the **INDUSTRIAL** business of the year on policy account as it stood at close of business December 31.

CLASSIFICATION	1. Whole Life and Endowment Policies		2. Term and Other Policies, including Return Premium Additions		3. Additions to Policies by Dividends	4. Total Numbers and Amounts	
	No.	Amount	No.	Amount	Amount	No.	Amount
21. At end of previous year	184	74,921	1,335	300,849	-0-	1,519	375,770
22. *Issued during year	-0-	-0-	-0-	-0-	-0-	-0-	-0-
22A. †Reinsurance assumed	-0-	-0-	-0-	-0-	-0-	-0-	-0-
23. Revived during year	-0-	-0-	-0-	-0-	-0-	-0-	-0-
24. Increased during year	-0-	-0-	-0-	-0-	-0-	-0-	-0-
24A. **Totals, lines 22 to 24, inclusive**	-0-	-0-	-0-	-0-	-0-	-0-	-0-
25. **Totals before transfers**	184	74,921	1,335	300,849	-0-		
26. Transfers, deductions	5	1,608	-0-	-0-	-0-	5	
27. Transfers, additions	-0-	-0-	5	1,608	-0-	5	
28. **Balance of Transfers**	5	1,608	5	1,608	-0-	-0-	
29. **Totals after transfers**	179	73,313	1,340	302,457	-0-	1,519	375,770
DEDUCT CEASED BY:							
30. Death	2	700	10	1,500	-0-	12	2,200
31. Maturity	-0-	-0-	-0-	-0-	-0-	-0-	-0-
32. Disability	-0-	-0-	-0-	-0-	-0-	-0-	-0-
33. Expiry	-0-	-0-	23	5,350	-0-	23	5,350
34. Surrender	-0-	-0-	-0-	-0-	-0-	-0-	-0-
35. Lapse	-0-	-0-	28	6,400	-0-	28	6,400
36. Decrease	-0-	-0-	-0-	4,120	-0-	-0-	4,120
36A. ‡Reinsurance ceded	-0-	-0-	-0-	-0-	-0-	-0-	-0-
37. **Total terminated**	2	700	61	17,370	-0-	63	18,070
38. (a) Outstanding end of year	177	72,613	1,279	285,087	-0-	1,456	357,700
39. Reinsurance ceded end of year							

NOTE.—Instalment policies and others involving supplementary contracts should be entered and deducted in above Exhibit of Policies for the commuted value of instalments only.

State the amount of (A) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders, (B) additional insurance under non-decreasing term riders and (C) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above, as follows:
Line 2, Column 1 (A) None (B) None (C) 7,943,500, Column 2 (A) 33,910,496 Line 19, Column 1 (A) None (B) None (C) 24,379,170, Column 2 (A) 104,602,490

State basis of calculation under (A) Mean Commuted Value for Current Policy Year or 60% Initial Amount, and (C) Family Policy $1,000 Per Unit

*In this line should be included bona fide direct new business only. In case of Group policies, the initial coverage should be entered in this line. Paid-up and extended term insurance issued in lieu of other insurance should be treated as a policy change. Has this been done? ANSWER: Yes

(a) Paid-up insurance included in the final totals of items 19 and 38 (including additions to policies). No. of ORDINARY policies 63,323, amount $ 95,413,635; No. of INDUSTRIAL policies 52, amount, $ 21,483

Additional accidental Death Benefits included in life policies were in amount, $ 413,003,989; Debit Ordinary Business included in Column 5, Line 19: No. of policies None, amount $ None

†In this line should be reported all reinsurance assumed. Where the assumption of a block of business is involved, include such transaction herein, attaching exhibit indicating figures included in each line and column.

‡This is to include cession by reinsurance of the entire business of a company or of its business in a state or section of the country, but is not to include reinsurance ceded on individual risks.

**In case of Group policies, enter net of increases and withdrawals as positive figure in either item 4 or item 17.

§Includes $ 19,050,000 issued which was ceded as reinsurance during the year.

§§Includes 519,348 certificates under 4 policies for Group Insurance Plans, other than the Federal Employees Group Life Insurance Policy, where part of the insurance on each life is provided by policies of other insurance companies. After multiplying the number of certificates under each such policy by the respective proportions of the insurance provided by this company, the number of certificates under such policies changes from 519,348 to 38,792 and the total number of certificates outstanding changes from 834,039 to 353,483

Form 1

ANNUAL STATEMENT FOR THE YEAR 1963 OF THE UNITED BENEFIT LIFE INSURANCE COMPANY

Write or Stamp Name

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

EXHIBITS OF ANNUITIES (PAID-FOR BASIS) AND SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES

CLASSIFICATION	1. Individual Annuities*		2. Group Annuities			3. Supplementary Contracts		
	No.	Annual Income	Contracts	Certificates	Annual Income	No.	Annual Income	
1. Outstanding at end of previous year	5,236	6,581,671	1	119	254,275	1,045	244,940	
2. Issued during year	431	579,425	2	21	33,928	• •	• • •	
3. Transferred from Insurance account during year	• •	• • •	• •	• •	• • •	106	12,980	
4. Total	5,667	7,161,096	3	140	288,203	1,151	257,920	
5. Other net changes during year	336	232,979	-0-	11	14,419	93	7,286	
6. Outstanding at end of current year	5,331	6,928,117	3	129	273,784	1,058	250,634	

CLASSIFICATION OF ANNUITIES AND SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES OUTSTANDING AT THE END OF THE YEAR

CLASSIFICATION	1. Individual Annuities*		2. Group Annuities			3. Supplementary Contracts		Total	
	No.	Annual Income	Contracts	Certificates	Annual Income	No.	Annual Income	No.	Annual Income
7. Income now payable	1,038	610,769	• •	-0-	-0-	1,058	250,634	2,096	861,403
8. Deferred; fully paid	1,006	543,386	• •	-0-	-0-	-0-	-0-	1,006	543,386
9. Deferred; not fully paid	3,287	5,773,962	• •	129	273,784	-0-	-0-	3,287	6,047,746
10. Total	5,331	6,928,117	• •	129	273,784	1,058	250,634	6,389	7,452,535

*Individual Annuities. Include here all survivorship annuities and deferred annuities, including contracts providing for deferred annuities purchased by accumulations during deferred period and which provide for a death benefit during the period of deferment substantially equal to the value of the non-forfeiture benefit available on lapse.

THE INFORMATION ON THIS PAGE PERTAINS TO THE ENTIRE COMPANY BUSINESS, INCLUDING SEPARATE ACCOUNT BUSINESS, IF ANY.

GENERAL INTERROGATORIES

1. Have all the transactions of the company of which notice was received at the home office on or before the close of business December 31, been truthfully and accurately entered on its books? Answer: Yes

2. Except a hown in the next succeeding question, does this statement show the condition of the company as shown by the books, records, and data at the home office at the close of business December 31? Answer: Yes

3. Have there been included in this statement proper reserves to cover liabilities which may have been actually incurred on or before December 31, but of which no notice was received at the home office until subsequently? Answer: Yes

3½. In all cases where the company has assumed accident and health risks from another company, there should be charged in this statement on account of such reinsurances a reserve equal to that which the original company would have been required to charge had it retained the risks. Has this been done? Answer: Yes

4. Is the business of the company conducted upon the mutual, mixed or strictly proprietary plan? Answer: Proprietary

5. What dividends and what proportion of the profits of the company may be paid to the stockholders? Answer: All except dividends on small volume of paid up Participating Business.

6. State total amount of advances to surplus not repaid (Mutual Companies only) $ None

7. Is the unassigned surplus, per item 29, page 3 of this statement, held for the stockholders or the policyholders? Answer: Stockholders

8. If any part of such unassigned surplus is held for the stockholders, what was the amount thereof on Dec. 31 of current year? Answer: All

8A. Total amount paid in by stockholders since organization of the company as surplus funds (Stock Companies only), $ 300,000.00

9. Total dividends paid stockholders since organization of the company, cash, $ 6,250,000.00 ; stock, $ 700,000.00

10. What interest, direct or indirect, has this company in the capital stock of any other insurance company? Answer: None

10A. Are personnel or facilities of this company used by another company or companies or are personnel or facilities of another company or companies used by this company (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Answer: Yes Net reimbursement of such expenses between companies; paid $ -0-, received $ Expenses allocated directly by Company.

11. Is the company directly or indirectly owned or controlled by any other company, corporation, group of companies, partnership or individual? Answer: See below If so, give full particulars 66.803% of stock owned by Mutual of Omaha Insurance Company

12. **CAPITAL STOCK OF THIS COMPANY**

Class	No. Shares Outstanding	Par Value Per Share	Redemption Price if Stock Is Callable	Is Dividend Rate Limited?	Are Dividends Cumulative?
Preferred	None	$ None	$ None	None	None
Common	100,000	$ 10.00	* * * * *	* * * * *	* * * * *

12A. If company has outstanding bonds, debentures, guaranty capital notes, etc., furnish pertinent information concerning redemption price, interest features, etc. Answer: None

13. Does the company own any securities of a real estate holding company or otherwise hold real estate indirectly? Answer: No If so, explain

Name of real estate holding company

No. of parcels involved -0- Total book value $ -0-

14. Did any person while an officer, director or trustee of the company receive directly or indirectly, during the period covered by this statement, any commission on the business transactions of the company? Answer: No

14A. Has the company an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees which is in or is likely to conflict with the official duties of such person? Answer: Yes

15. Amount of compensation, if any, received during the year by any representative, officer, trustee or director of the company for services rendered as a member of any bondholders' or stockholders' reorganization or protective committee with which the company has deposited any securities. Answer: $ None

16. Amount of such compensation retained by the representative. Answer: $ None

16½. Does the company have a retirement plan (a) for agents; (b) for staff employees? Answer: (a) General Agents ; (b) Yes
If so, in what items are the reserves included? Answer: (a) Page 3, line 1 ; (b) Page 3, line 1

17. Total amount loaned during the year to directors or other officers $ None , to stockholders not officers $ None : Total amount of loans outstanding at end of year to directors or other officers $ None , to stockholders not officers $ None (exclusive of policy loans).

18. Have the future loadings on the premiums, or any part thereof, been assigned or hypothecated in any way? If so, give full information. Answer: No

18A. Except as reported in General Interrogatory 16½, has the company any agreement with any person, other than contracts with its agents for the payment of commissions, whereby it agrees that for any service rendered or to be rendered he shall receive, directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Answer: No

19. What proportion of premiums on policies issued by the company may be taken in notes, or other form of lien, on the policies? Answer: None

20. Were all the stocks, bonds and other securities owned December 31 of current year, in the actual possession of the company on said date, except as shown by the Schedules of Special and Other Deposits? Answer: Yes
If not, give full and complete information relating thereto

21. Were any of the stocks, bonds or other assets of the company loaned during the year covered by this statement? Answer: No
If so, give full and complete information relating thereto

22. State as of what date the latest examination of the company was made or is being made, and by what department or departments. Answer: December 31, 1961
Iowa, Massachusetts, Mississippi, Nebraska, Ohio and Washington

23. Has any change been made during the year of this statement in the charter, articles of incorporation, or deed of settlement of the company? Answer: No
If not previously filed, furnish herewith a certified copy of the instrument as amended.

(Only United States Branches of foreign companies need answer Interrogatories 24.)

24. What changes have been made during the year in the United States Manager or the United States Trustees of the company? Answer:

Does this statement contain all business transacted for the company through its United States Branch on risks wherever located? Answer:

25. What officials and heads of departments of the company supervised the making of this report? Answer: Vice President, Actuary, Treasurer, Ass't. Vice Presidnets & Auditors

26. In what states, territories, or foreign countries is the company authorized to transact business? Answer:
District of Columbia, Canada, Republic of Panama, Canal Zone, Puerto Rico, Guam, Virgin Islands, and all states except New York.

27. Is the purchase or sale of all investments of the company passed upon either by the Board of Directors or a subordinate committee thereof? Answer: Yes

28. Does the company keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Answer: Yes

29. Have the instructions accompanying the blank furnished by this department been followed in every detail? Answer: Yes

30. Does this company have Separate Accounts? Answer: Yes . If so, has Separate Account Statement been filed with this Department? Answer: Yes . State the authority under which Separate Accounts are maintained. Answer: Nebraska Statutes 44-310.06-.08

5F

Note.—In case the following schedules do not afford sufficient space, companies may furnish them on separate forms, provided the same are upon paper of like size and arrangements and contain the information asked for herein and have the name of the company printed or stamped at the top thereof.

The figures on this page do not include Separate Account items, if any.

SPECIAL DEPOSIT SCHEDULE

Showing all deposits or investments NOT held for the protection of ALL the policyholders of the Company

(1) WHERE DEPOSITED	(2) DESCRIPTION OF DEPOSIT (INDICATING LITERAL FORM OF REGISTRATION OF SECURITIES)			(3) PAR VALUE	(4) Amortized VALUE
The Travelers Insurance Company, Hartford, Connecticut	United States Treasury Bonds, Registered	4%	1980	1,500,000.00	1,487,355.83
The Travelers Insurance Company, Hartford, Connecticut	United States Treasury Bonds, Registered	3-1/2%	1998	3,100,000.00	3,077,254.16
Georgia	United States Treasury Bonds, Registered	3-1/2%	1990	10,000.00	9,904.62
Iowa	United States Treasury Bonds, Registered	4%	1980	4,000,000.00	3,966,422.47
Companion Life Insurance Company, New York, New York	United States Treasury Bonds, Registered	3-1/2%	1998	100,000.00	100,000.00
First National City Bank, New York, New York	United States Treasury Bonds, Registered	3-1/2%	1998	100,000.00	100,000.00
South Carolina	United States Treasury Bonds, Registered	4%	1980	25,000.00	24,789.26
Virginia	United States Treasury Bonds	4%	1980	50,000.00	49,578.53
Canal Zone	United States Treasury Bonds, Registered	3-1/2%	1998	10,000.00	9,899.43
Canada	Government of Canada Bonds	5-1/2%	1975	300,000.00	306,581.02
Canada	Government of Canada Bonds	5-1/2%	1976	210,000.00	219,087.32
Canada	Government of Canada Bonds	5-1/2%	1980	750,000.00	735,669.45
Canada	Government of Canada Bonds	4-1/2%	1983	350,000.00	343,995.53
Canada	Government of Canada Bonds	3-3/4%	1998	250,000.00	243,117.30
Canada	Canadian National Railway Company Bonds	5-3/4%	1985	100,000.00	98,620.66
Canada	Canadian National Railway Company Bonds	5%	1987	100,000.00	95,280.15
Canada	Province of Manitoba Debentures	3-1/2%	1978	150,000.00	141,904.68
Canada	Province of Ontario Debentures	3%	1965	50,000.00	49,687.31
Canada	Province of Ontario Debentures	3%	1970	50,000.00	48,465.07
Canada	Hydro-Electric Power Commission of Ontario Debentures	4%	1976	200,000.00	200,000.00
Canada	Province of Quebec Debentures	3%	1965	50,000.00	49,675.76
Canada	Vancouver, British Columbia Debentures	5%	1969	25,000.00	24,135.77
Canada	Vancouver, British Columbia Debentures	5%	1970	25,000.00	24,042.83
Canada	Winnipeg, Manitoba Debentures	3-3/4%	1966/75	145,000.00	142,653.29
Canada	Winnipeg, Manitoba Debentures	5-1/2%	1972/86	300,000.00	300,000.00
Canada	Hamilton, Ontario Debentures	4%	1966/75	75,000.00	75,000.00
Canada	Metropolitan Toronto, Ontario Debentures	3-3/4%	1975	200,000.00	198,629.90
Canada	Metropolitan Toronto, Ontario Debentures	4-1/2%	1976	100,000.00	99,273.68
Canada	Ottawa, Ontario Debentures	5%	1964/72	180,000.00	178,457.81
Canada	Ottawa, Ontario Debentures	5-1/2%	1972/75	100,000.00	99,213.16
Canada	Regina, Saskatchewan Debentures	3-3/4%	1971/84	200,000.00	195,508.10
Panama	Banco Nacional De Panama (Cash)			200,000.00	200,000.00
			Totals	13,005,000.00	12,894,203.09

SCHEDULE OF ALL OTHER DEPOSITS

Showing all deposits made with any Government, Province, State, District, County, Municipality, Corporation, firm or individual, except the regular deposits in Banks and Trust Companies subject to check, and those shown in "Special Deposit Schedule" above.

WHERE DEPOSITED	DESCRIPTION OF DEPOSIT (INDICATING LITERAL FORM OF REGISTRATION OF SECURITIES)			PAR VALUE	Amortized VALUE
Nebraska	United States Treasury Bonds	4%	1980	100,000.00	99,157.05
Nebraska	United States Treasury Bonds, Investment Series B-1975-80, Registered	2-3/4%	1980	200,000.00	202,830.47
Nebraska	Commonwealth of Puerto Rico Bonds	2-1/2%	1974	25,000.00	24,427.80
Nebraska	Commonwealth of Puerto Rico Bonds	2-3/4%	1974	15,000.00	14,730.82
Fidelity and Deposit Company, Baltimore, Maryland	United States Treasury Bonds	3%	1995	30,000.00	30,000.00
	New York City School Construction Bonds	4-1/4%	1965	10,000.00	10,083.28
	New York City Corporate Stock Rapid Transit Bonds	4-1/4%	1978	15,000.00	16,113.31
			Totals	395,000.00	397,342.73

*Use market or amortized value according to basis used in this statement.

SCHEDULES A - B - BA - C - D - E BOUND SEPARATELY

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY

SCHEDULE F

Showing all claims for death losses and all other policy Claims resisted or compromised during the year, and all claims for death losses and all other policy claims resisted December 31 of current year

(1) Policy Numbers	(2) State of Residence of Claimant	(3) Amount Claimed	(4) Amount Paid During the Year	(5) Amount Resisted Dec. 31 of Current Year	(6) WHY COMPROMISED OR RESISTED
AG133-7873	Arkansas	5,000.00	Prems. Ret'd.		Misrepresentation
1,938,403	California	2,000.00	Prems. Ret'd.		Misrepresentation
1,821,288	Georgia	3,000.00	Prems. Ret'd.		Misrepresentation
1,955,077	Illinois	2,000.00	Prems. Ret'd.		Misrepresentation
1,957,616	Indiana	1,000.00	Prems. Ret'd.		Misrepresentation
1,947,275	Iowa	2,000.00	Prems. Ret'd.		Misrepresentation
1,915,081	Kansas	2,000.00	3,217.20		Settlement in favor of plaintiff
1,907,871	Maryland	3,000.00	540.53		Misrepresentation - Compromise
I-190684	Michigan	30,000.00	18,000.00		Policy not in force
1,812,560	Montana	6,000.00	-0-		Dismissed with prejudice
1,906,675	New Jersey	2,000.00	Prems. Ret'd.		Misrepresentation
1,957,936	New Jersey	1,178.00	Prems. Ret'd.		Misrepresentation
1,961,166	New Jersey	2,000.00	Prems. Ret'd.		Misrepresentation
1,903,386	New Mexico	1,150.00	Prems. Ret'd.		Misrepresentation
GLUG989, Cert. 244	Ohio	10,000.00	2,000.00		Did not qualify for coverage - compromise
AG122-8114	Ohio	10,000.00	10,000.00		Settlement in favor of plaintiff
AG113-10800	Pennsylvania	2,500.00	Prems. Ret'd.		Misrepresentation
1,893,927	Pennsylvania	1,918.00	Prems. Ret'd.		Misrepresentation
1,902,325	Pennsylvania	2,000.00	Prems. Ret'd.		Misrepresentation
1,915,208	Pennsylvania	5,000.00	Prems. Ret'd.		Misrepresentation
1,939,794	Pennsylvania	3,250.00	Prems. Ret'd.		Misrepresentation
1,979,244	Pennsylvania	1,000.00	-0-		Misrepresentation
1,948,685	Texas	2,000.00	1,250.00		Misrepresentation - Compromise
AG131-7219	Virginia	15,000.00	7,500.00		Misrepresentation - Compromise
1,975,682	Washington	1,000.00	Prems. Ret'd.		Misrepresentation
1,955,655	Wisconsin	1,098.00	Prems. Ret'd.		Misrepresentation
	Sub-Total Death Claims		42,507.73		
739147	South Carolina	1,948.20	19,000.00		Policyholder not disabled - compromise - policy surrendered
	Sub-Total Disability Claims		19,000.00		
307520	Arizona	4,387.20	-0-		Judgement in favor of U.B.L.I.C.
307521	Arizona	4,387.20	-0-		Judgement in favor of U.B.L.I.C.
	Sub-Total Miscellaneous Claims		-0-		
1,934,241	Alabama	10,000.00		10,000.00	Misrepresentation
1,912,155	California	10,000.00		10,000.00	Misrepresentation
1,644,114	California	10,000.00		10,000.00	Misrepresentation
GLUG1124, C-6359	California	20,000.00		20,000.00	Policy not in force
1,869,207	Illinois	1,000.00		1,000.00	Rescission - prior health
GLG-2968	Illinois	4,000.00		4,000.00	Not eligible for coverage
GLUG-1656	Illinois	10,000.00		10,000.00	Not eligible for coverage
I-211874	Kansas	10,000.00		10,000.00	Policy not issued
1,905,660	Louisiana	6,000.00		6,000.00	Policy not in force
1,695,020	Maryland	5,000.00		5,000.00	Policy not in force
GLS2818, C-11	Maryland	20,000.00		20,000.00	Not eligible for coverage
1,563,861	Massachusetts	1,000.00		1,000.00	Policy not in force
519907	Missouri	2,500.00		2,500.00	Misrepresentation
GLG-2763	Missouri	5,000.00		5,000.00	Not eligible for coverage
1,927,059	Pennsylvania	3,790.00		3,790.00	Misrepresentation
1,011,546	Washington	4,500.00		4,500.00	Paid to estate - former wife claiming proceeds
GLG-803	Washington	1,500.00		1,500.00	Policy not in force
	Sub-Total Death Claims			124,290.00	
Totals		252,106.60	61,507.73	124,290.00	

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*Claims under Accident and Health policies need not be reported in this schedule. All other claims should be classified and reported in the following sub-divisions:
(a) Claims disposed of during current year. (b) Claims resisted. In each of the above sections, Death claims, Additional Accidental Death Benefit Claims, Disability Benefit claims, Matured Endowment claims and Annuities with Life Contingencies claims, should be listed separately with sub-totals for each group.

THE INFORMATION ON THIS PAGE PERTAINS TO THE ENTIRE COMPANY BUSINESS, INCLUDING SEPARATE ACCOUNT BUSINESS, IF ANY.

SCHEDULE G

Showing (1) all payments in excess of $1,000 to each Trade Association, Service Organization, Statistical, Actuarial or Rating Bureau or Organization during the year; and (2) all salaries, compensation and emoluments, excepting bonafide commissions paid to or retained by agents, received in the current year by: (a) each director or trustee regardless of the amount thereof, (b) each of the ten officers or employees receiving the largest amounts, and (c) any other person, firm or corporation if the amount received was in excess of $20,000, except for amounts included in Schedules I, J and K. (Any other amounts to be shown where required by statute.)

LIST ITEMS UNDER (1) AND (2) IN SEPARATE GROUPINGS

(1) TITLE	(2) NAME OF PAYEE	(3) LOCATION OF PAYEE	(4) AMOUNT PAID Dollars	Cents	(5) DATE	(6) BY WHOM AUTHORIZED
		SERVICE ORGANIZATIONS, ETC.				
	American Life Convention	Chicago, Illinois	10,975	.63	1963	C. W. Bucknam
	Cooperative Fund for Underwriter Education	Bryn Mawr, Pennsylvania	1,286	.63	1963	R. J. Taylor
	Institute of Life Insurance	New York, New York	17,008	.00	1963	C. W. Bucknam
	Life Insurance Agency Management Association	Hartford, Connecticut	5,154	.00	1963	R. J. Taylor
	Life Insurance Association of America	New York, New York	9,554	.60	1963	C. W. Bucknam
	Life Insurance Medical Research Fund	New York, New York	6,622	.00	1963	C. W. Bucknam
	Life Office Management Association	New York, New York	1,075	.00	1963	N. M. Longworth
	National Fund for Medical Education	New York, New York	4,244	.00	1963	C. W. Bucknam
		SALARIES OFFICES, DIRECTORS, ETC.				

The figures on this page do not include Separate Account items, if any.

SCHEDULE H

Accident and Health Exhibit

• GROSS PREMIUMS (Less Return Premiums)	(1) TOTAL		(2) GROUP ACCIDENT AND HEALTH		INDIVIDUAL POLICIES							
					(3) ACCIDENT ONLY		(4) ACCIDENT AND HEALTH		(5) NON-CANCELLABLE ACCIDENT AND HEALTH		(6) HOSPITAL AND MEDICAL EXPENSE	
	AMOUNT	† %	AMOUNT	† %	AMOUNT	† %	AMOUNT	† %	AMOUNT	† %	AMOUNT	† %
1. Direct Premiums Received	36,059,691.89		27,939,040.29		3,708.95		4,211,067.12		256,277.07		3,849,598.46	
2. Reinsurance Assumed	6,326,010.91		6,326,010.91		-0-		-0-		-0-		-0-	
3. Reinsurance Ceded	37,062,753.05		34,265,051.20		149.75		1,179,085.43		200,956.92		1,417,509.75	
4. Net Premiums Received	5,322,949.75		-0-		3,559.20		3,031,981.69		55,320.15		2,232,088.71	
5. Premiums Due and Unpaid Dec. 31, current year	-0-		-0-		-0-		-0-		-0-		-0-	
6. Premiums Due and Unpaid Dec. 31, previous year	-0-		-0-		-0-		-0-		-0-		-0-	
7. Premiums Written or Renewed during year	5,322,949.75		-0-		3,559.20		3,031,981.69		55,320.15		2,232,088.71	
8. Premiums Paid in Adv. Dec. 31, previous year	120,166.19		-0-		100.00		48,365.02		1,249.65		70,451.52	
9. Premiums Paid in Adv. Dec. 31, current year	118,362.22		-0-		125.00		46,308.24		1,059.73		70,869.25	
10. Premiums of current year (7+8-9)	5,324,753.72		-0-		3,534.20		3,034,038.47		55,510.07		2,231,670.98	
11. ††Unearned Premiums and Additional Reserves Dec. 31, previous year	1,712,868.37		-0-		1,496.95		830,936.30		54,707.60		825,727.52	
12. ††Unearned Premiums and Additional Reserves Dec. 31, current year	1,562,486.82		-0-		1,357.20		771,557.88		49,330.15		740,241.59	
13. Premiums Earned during current year	5,475,135.27		-0-		3,673.95		3,093,416.89		60,887.52		2,317,156.91	
LOSSES												
14. Direct Losses Paid	29,818,340.37		24,293,799.29		300.00		2,984,589.55		105,398.54		3,534,252.99	
15. Losses on Reinsurance Assumed	5,690,214.25		5,690,214.25		-0-		-0-		-0-		-0-	
16. Recoveries on Reinsurance Ceded	31,654,583.61		29,840,013.54		300.00		661,059.57		60,203.15		949,007.35	
17. Losses Paid	3,853,971.01		-0-		-0-		2,223,529.98		45,195.39		1,585,245.64	
18. Reinsurance Recoverable, Dec. 31, current year	-0-		-0-		-0-		-0-		-0-		-0-	
19. Unpaid Losses, Dec. 31, current year	1,366,674.03		-0-		2,095.39		890,007.54		21,839.31		452,731.79	
20. Reinsurance Recoverable, Dec. 31, previous year	-0-		-0-		-0-		-0-		-0-		-0-	
21. Unpaid Losses, Dec. 31, previous year	1,463,347.00		-0-		2,698.11		930,349.79		32,414.55		497,884.55	
22. Losses of current year	3,757,298.04		-0-		- 602.72		2,183,187.73		34,620.15		1,540,092.88	
23. ††Reserve for Amounts not yet due on Claims and for future Contingent Benefits, Dec. 31, current year	4,223,150.34		-0-		-0-		3,856,786.83		13,165.20		359,898.31	
24. ††Reserve for Amounts not yet due on Claims and for future Contingent Benefits, Dec. 31, previous year	4,295,734.68		-0-		-0-		3,910,304.50		11,641.35		373,788.83	
25. LOSSES INCURRED DURING CURRENT YEAR	3,684,713.70	67.3	-0-		- 602.72	16.4	2,129,670.06	68.9	36,444.00	***	1,519,202.36	65.6
EXPENSES INCURRED												
26. Allocated Claim Expenses	35,073.53	.6	-0-		.36	-0-	16,689.55	.5	333.90	.5	18,049.72	.8
27. Unallocated Claim Expenses	205,493.76	3.8	-0-		14.29	.4	99,780.33	3.2	1,971.40	3.2	103,727.74	4.4
28. **Commissions: a. Direct	1,797,499.32	32.8	741,217.08		414.95		585,684.38	18.9	27,484.46	45.1	442,698.45	19.1
b. Reinsurance Assumed	596.84		596.84		-0-		-0-		-0-		-0-	
c. Reinsurance Ceded	1,212,972.67	22.2	741,813.92		4.71		271,335.61	8.8	21,729.94	35.7	178,088.59	7.7
d. Net Commissions	585,123.49	10.7	-0-		410.24	11.1	314,348.77	10.2	5,754.52	9.5	264,609.86	11.4
29. Acquisition and Field Supervision Expenses (other than commissions)	2,705.23	.1	-0-		2.71	.1	1,280.11		17.85		1,404.56	.1
30. General Administration Expenses	307,503.67	5.6	-0-		307.50	8.4	145,510.74	4.7	2,029.59	3.3	159,655.91	6.9
31. Inspection and Bureau Expenses	34.94		-0-		.04		16.53		.23		18.14	
32. Taxes, Licenses and Fees (excluding Federal Income, Excess Profits and Real Estate Taxes)	127,727.50	2.3	-0-		87.43	2.4	72,562.27	2.4	1,326.39	2.2	53,751.41	2.3
33. TOTAL EXPENSES INCURRED	1,263,662.12	23.1	-0-		822.57	22.4	650,188.30	21.0	11,433.21	18.8	601,217.34	25.9
34. GAIN FROM UNDERWRITING (13-25-33)	526,759.45	9.6			3,454.10	94.0	313,558.53	10.1	13,009.61	21.4	196,737.21	8.5
35. DIVIDENDS TO POLICYHOLDERS	-0-		-0-		-0-		-0-		-0-		-0-	
EXHIBIT OF PREMIUMS*												
36. In Force, Dec. 31, previous year	8,045,918.96		2,640,409.00		3,769.22		2,269,462.40		119,854.76		3,012,423.58	
37. Premiums Paid in advance, Dec. 31, previous year	176,143.87		10,022.17		100.00		59,842.60		2,106.68		104,072.42	
38. Written or Renewed during year	43,272,051.16		35,151,399.56		3,708.95		4,211,067.12		256,277.07		3,849,598.46	
39. Excess of Original Premiums over Reinsurance Assumed	-0-		-0-		-0-		-0-		-0-		-0-	
40. Expirations and Excess of Original Premiums over Return Premiums on Cancellations	42,877,206.60		34,371,270.59		4,015.20		4,355,873.77		266,438.20		3,879,608.84	
41. Premiums Paid in advance, Dec. 31, current year	179,693.66		8,691.14		135.00		61,348.59		1,707.83		107,811.10	
42. In Force at end of year	8,437,213.73		3,421,869.00		3,427.97		2,123,149.76		110,092.42		2,778,674.58	
43. Deduct Reinsurance Premiums in Force	5,096,974.55		3,421,869.00		165.22		424,998.82		76,955.08		1,179,986.43	
44. Net Premiums in Force:												
a. on policies running one year or less	3,340,239.18		-0-		3,262.75		1,698,150.94		33,137.34		1,605,688.15	
b. on policies running more than one year	-0-		-0-		-0-		-0-		-0-		-0-	
c. Total	3,340,239.18		-0-		3,262.75		1,698,150.94		33,137.34		1,605,688.15	
45. Unearned Premium Reserve:												
a. on policies running one year or less	1,527,334.57		-0-		1,357.20		771,557.88		14,177.90		740,241.59	
b. on policies running more than one year	-0-		-0-		-0-		-0-		-0-		-0-	
c. reserve for rate credits, etc.	35,152.25		-0-		-0-		-0-		35,152.25		-0-	
d. Total	1,562,486.82		-0-		1,357.20		771,557.88		49,330.15		740,241.59	
REINSURANCE												
46. Assumed—amount included in line 5	1,034,905.01		1,034,905.01		-0-		-0-		-0-		-0-	
47. Assumed—amount included in line 9	-0-		-0-		-0-		-0-		-0-		-0-	
48. Ceded—amount deducted from line 5	4,211,451.01		4,211,451.01		-0-		-0-		-0-		-0-	
49. Ceded—amount deducted from line 9	61,331.44		8,691.14		10.00		15,040.35		688.10		36,941.85	
50. Ceded—amount deducted from line 12:												
a. Applicable to line 1 of Exhibit 9, Part 1	1,009,282.98		220,194.00		99.87		177,265.26		37,752.43		573,971.42	
b. Applicable to line 2 of Exhibit 9, Part 1	527,672.75		-0-		-0-		320,408.29		207,264.46		-0-	
c. Applicable to line 4 of Exhibit 9, Part 1	569,472.94		569,472.94		-0-		-0-		-0-		-0-	
51. Ceded—amount deducted from line 23:												
a. Applicable to line 3 of Exhibit 9, Part 1	749,863.71		106,669.44		-0-		466,910.00		40,503.35		135,780.92	
b. Applicable to line 4 of Exhibit 9, Part 1	945,619.60		945,619.60		-0-		-0-		-0-		-0-	

*Initial Premiums Written and Unpaid ("Unplaced Premiums") at Dec. 31 are excluded from these items.

**Including $ None reported as "Policy, membership and other fees retained by agents."

†Enter, only for items 25 to 35 inclusive, in each of the six columns of the exhibit the percentages of the amounts of the same items to the premiums earned entered in the corresponding columns at item 13.

††Include reserve for deferred maternity benefits under Gross Premiums or Losses. State which: Losses

***Supplemental loss ratio for Individual Non-cancellable Accident and Health only: $\frac{\text{Lines } 25 - 11 + 12}{\text{Line } 10}$ = 55.97 %

THE INFORMATION ON THIS PAGE PERTAINS TO THE ENTIRE COMPANY BUSINESS, INCLUDING SEPARATE ACCOUNT BUSINESS, IF ANY.

SCHEDULE I

Showing all commissions and collection fees paid in connection with loans or properties during the year where the same amounted to more than $5,000 to any person, firm or corporation

(1) DATE	(2) PAYEE NAME	(2) PAYEE ADDRESS	(3) WHAT ACQUIRED OR DISPOSED OF DESCRIPTION	(3) AMOUNT INVOLVED	(4) AMOUNT OF COMMISSION PAID
	Advance Mortgage Corporation	Chicago, Illinois	Service fees on Mortgage Loans		19,844.10
	H. F. Philipsborn & Co.	Chicago, Illinois	Service fees on Mortgage Loans		8,612.34
	Charles F. Curry and Company	Kansas City, Missouri	Service fees on Mortgage Loans		12,868.87
	Geo. C. Jones Co.	Minneapolis, Minnesota	Service fees on Mortgage Loans		16,915.75
	The Kansas City Mortgage Company	Kansas City, Missouri	Service fees on Mortgage Loans		16,811.19
	McElvain Mortgage Co.	Chicago, Illinois	Service fees on Mortgage Loans		9,499.13
	Van Schaack & Company	Denver, Colorado	Service fees on Mortgage Loans		8,201.19
	H. A. Wolf Company, Inc.	Omaha, Nebraska	Service fees on Mortgage Loans		6,338.70
	Conservative Investment Company	Omaha, Nebraska	Service fees on Mortgage Loans		13,241.81
	Western Securities Company	Omaha, Nebraska	Service fees on Mortgage Loans		16,675.82
	Janisse Mortgage Company	Detroit, Michigan	Service fees on Mortgage Loans		19,475.22
	Schumacher Mortgage Company, Inc.	Memphis, Tennessee	Service fees on Mortgage Loans		6,970.92
	Cecil E. Gaulding, Jr.	Dallas, Texas	Service fees on Mortgage Loans		10,268.85
	Investors, Inc.	Lubbock, Texas	Service fees on Mortgage Loans		5,563.59
	Hodell & Co.	Houston, Texas	Service fees on Mortgage Loans		24,233.16
	The Kirk-Mac Mortgage Company	Fort Worth, Texas	Service fees on Mortgage Loans		8,259.72
	Sandlin Mortgage Corporation	Austin, Texas	Service fees on Mortgage Loans		17,156.25
	Harry S. Surkamp Investment Co.	St. Louis, Missouri	Service fees on Mortgage Loans		13,649.46
	Oklahoma Mortgage Company, Inc.	Oklahoma City, Oklahoma	Service fees on Mortgage Loans		28,437.65
	C. A. Larson Investment Company	Beverly Hills, California	Service fees on Mortgage Loans		37,013.60
	Provident Mortgage Corporation	Pasadena, California	Service fees on Mortgage Loans		35,062.68
	W. A. McKinley Company	Dallas, Texas	Service fees on Mortgage Loans		7,231.49
	Pacific States Mortgage Service, Inc.	Oakland, California	Service fees on Mortgage Loans		61,446.68
	Honolulu Mortgage Co., Ltd.	Honolulu, Hawaii	Service fees on Mortgage Loans		12,803.35
	O'Malley-Pickrell Mortgage Co.	Phoenix, Arizona	Service fees on Mortgage Loans		13,143.09
	Tucker & Branham, Inc.	Orlando, Florida	Service fees on Mortgage Loans		5,496.74
	J. C. Nichols Company	Kansas City, Missouri	Service fees on Mortgage Loans		5,183.09
	Western Mortgage Loan Corporation	Ogden, Utah	Service fees on Mortgage Loans		5,325.19
	Securities Mortgage Company	Seattle, Washington	Service fees on Mortgage Loans		12,695.69

SCHEDULE J

Showing in detail all legal expenses paid during the year (List individually all items of $500 or more)

(1) PAYEE NAME	(2) PAYEE ADDRESS	(3) AMOUNT PAID	(4) OCCASION OF EXPENSE
Arter Hadden Wykoff & Vanduzer	Cleveland, Ohio	1,065.75	Claims
Blank Rudenko Klaus & Rome	Philadelphia, Pennsylvania	13,845.16	Flexible Fund Annuity
Bleakley Platt Schmidt Hart & Fritz	New York, New York	3,755.39	Claims
Butler Chapman & Barnes	Spartanburg, South Carolina	519.52	Claims
Goodell Casey Briman Hardesty	Topeka, Kansas	1,987.00	Claims
Gross Welch Vinardi Kauffman & Schatz	Omaha, Nebraska	24,525.00	General Legal - Corporate Matters & Retainer
Arthur M. Hoffeins	Detroit, Michigan	4,534.52	Claims
Icaza Gonzalez Ruiz & Aleman	Panama City, Republic of Panama	1,572.35	General Legal - Corporate Matters
Kelly Keating & Leahy	Washington, D.C.	785.35	Claims
McCormick Lusk & Paine	Carlsbad, New Mexico	854.20	Legislative Service
Minnesota Mutual Life Insurance Company	St. Paul, Minnesota	3,203.00	Tax Matters
Sherman & Sterling	New York, New York	9,765.08	General Legal - Corporate Matters
Snell & Wilmer	Phoenix, Arizona	1,540.00	Policy Provisions
Sutherland Asbill & Brennan	Washington, D.C.	7,206.77	General Legal - Corporate Matters
Thomas Busse Weiss Cullen & Godfrey	St. Louis, Missouri	607.50	Claims
Williams, Cocke, Worrell & Kelly	Norfolk, Virginia	2,565.21	Claims
Jerry N. Griffin	Washington, D.C.	4,500.00	Retainer Fee
Walter B. Gibbons	Philadelphia, Pennsylvania	820.50	Claims
J. Edward Maley	Los Angeles, California	2,782.77	Claims
Heidelberg Sutherland & McKenzie	Hattiesburg, Mississippi	797.08	Claims
Saperston McNaughtan & Saperston	Buffalo, New York	1,264.02	Claims
Stein & Winters	Pittsburg, Pennsylvania	575.00	Claims
Watkins & Eager	Jackson, Mississippi	2,078.85	Claims
Watters & Donovan	New York, New York	622.93	Claims
Life Insurance Association of America	New York, New York	234.86	Various
Reimbursement by Mutual of Omaha Insurance Company under reinsurance agreement		-3,164.30	
	Total of all other items	4,467.33	
	Grand Total	93,450.34	

THE INFORMATION ON THIS PAGE PERTAINS TO THE ENTIRE COMPANY BUSINESS, INCLUDING SEPARATE ACCOUNT BUSINESS, IF ANY.

SCHEDULE K

Showing all expenditures in connection with matters before legislative bodies, officers or departments of government during the Year
(Items of less than $500 may be grouped unless prohibited by statute)

(1) DATE	PAYEE (2) NAME	PAYEE (3) ADDRESS	(4) AMOUNT PAID	(5) MEASURE OR PROCEEDING	INTEREST OF THE COMPANY THEREIN
1963	Life Insurance Association of America, 488 Madison Ave., New York . . . . . Prorated share of expenses of telephone & telegraph messages, meetings, legislative information service, traveling expenses of officers of Association, disbursements of agent of Association, Attorneys' fees and disbursements, salaries, and other general expenses.		$ 2,932.35	All pending and prospective legislation; rulings and questions before insurance departments; hearings and opinions by Attorneys General; and conferences and correspondence with Federal and State officials.	Effect upon the interests of policyholders and upon companies generally.
6-26-1963	McCormick, Lusk & Paine, Carlsbad, New Mexico		854.20	New Mexico Senate Bill #280	Taxation
		Total of all other items	-0-		
		Grand Total	$3,786.55		

SCHEDULE L

Proceedings at last annual election held on February 16, 1963

NAMES OF CANDIDATES FOR DIRECTOR OR TRUSTEE	NUMBER OF VOTES CAST FOR EACH CANDIDATE: IN PERSON	BY PROXY	BY MAIL	TOTAL VOTES
Totals				

NOTE:—Attach to this schedule a copy of the official minutes of annual meeting.

Form 1

ANNUAL STATEMENT FOR THE YEAR 1963 OF THE UNITED BENEFIT LIFE INSURANCE COMPANY

Write or Stamp Name

SCHEDULE M

Age

Showing rates of annual dividends declared (paid) in current Year and annual premiums per **$1,000** *of insurance at age , at date of issue*

THE FIGURES ON THIS PAGE DO NOT IN-CLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

YEARS IN WHICH THE POLICIES WERE ISSUED

KIND OF POLICY	1962		1961		1960		1959		1958		1953		1948		1943		1938		1933		1928		1923		1918		1913		1908		1903		1898		1893		1888	
	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd	Prem.	Div'd

AGES 25 - 35 - 45 - 55 NONE

NOTE:—ATTACH TO THIS SCHEDULE EXPLANATION SHOWING PRECISE METHODS BY WHICH DIVIDENDS WERE CALCULATED.

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

SCHEDULE O—Part 1

Accident and Health Losses

(1)	(2) Losses paid during the year less salvage and reinsurance received thereon during the year		(4) Losses unpaid Dec. 31 of current year, viz Estimated liability Dec. 31 of current year		(6) Total losses incurred to December 31 of current year on losses incurred in prior years (Columns 2 + 4)	(7) Estimated liability on unpaid losses Dec. 31 of previous year, per Columns 4 and 5 of last annual statement
	*On losses incurred prior to January 1 of current year	On losses incurred during the year	*On losses unpaid Dec. 31 of previous year, less reinsurance thereon	On losses incurred during the year, less reinsurance thereon		
Accident only	-0-	-0-	-0-	2,095.39	-0-	2,698.11
Accident and Health	1,168,606.02	1,054,923.96	3,595,287.88	1,151,506.49	4,763,893.90	4,340,654.29
Non-Cancellable Accident and Health	22,021.37	23,174.02	22,128.73	13,175.78	44,150.10	44,055.90
Hospital and Medical Expense	397,396.15	1,187,849.49	314,570.69	491,059.41	711,966.84	871,673.38
Group Accident and Health	-0-	-0-	-0-	-0-	-0-	-0-
TOTALS	1,588,023.54	2,265,947.47	3,931,987.30	1,657,837.07	5,520,010.84	5,759,081.68

*Including all losses reported in the current year where the loss was incurred prior thereto.

NOTE: No salvage or reinsurance received during year on claims paid prior to current year to be deducted from amounts reported in column (2). Amount of such salvage and reinsurance on claims paid prior to current year:

Accident only	$ -0-
Accident and Health	-0-
Non-Cancellable Accident and Health	-0-
Hospital and Medical Expense	-0-
Group Accident and Health	-0-

SCHEDULE O—Part 2

Development of Incurred Losses
Non-Cancellable Accident and Health Insurance

Sum of net amount paid policyholders for losses and reserve for losses outstanding at end of year

Years in Which Losses Were Incurred	RESERVE DATE					
	Dec. 31, 1959	Dec. 31, 1960	Dec. 31, 1961	Dec. 31, 1962	Dec. 31, 1963	
1959	40,797.54	48,029.02	50,659.91	X X X	X X X	
1960	X X X	47,350.24	49,263.71	48,706.82	X X X	
1961	X X X	X X X	30,639.48	41,636.76	51,790.52	
1962	X X X	X X X	X X X	38,375.98	38,025.84	
1963	X X X	X X X	X X X	X X X	36,349.80	

SCHEDULE S — Part 1

Showing Names and Locations of Companies and Amounts Recoverable on Paid and Unpaid Losses for all Reinsurance Ceded

NAME OF COMPANY	‡LOCATION	PAID LOSSES		UNPAID LOSSES	
		Dollars	Cts.	Dollars	Cts.
LIFE					
Lincoln National Life Insurance Company	Fort Wayne, Indiana	1,446.00		4,476.00	
Colonial General Life Insurance Company (assigned bank deposit as collateral)	Brookfield, Illinois	6,000.00		-0-	
	Totals—Life	7,446.00		4,476.00	
ACCIDENT AND HEALTH					
Mutual of Omaha Insurance Company		-0-		2,420,748.97	
	Totals—Accident and Health	-0-		2,420,748.97	
	Grand Totals—Life and Accident and Health	7,446.00		2,425,224.97	

SCHEDULE S — Part 2

Showing Accident and Health Reinsurance Premiums Ceded as of December 31, Current Year

NAME OF COMPANY	‡LOCATION	PREMIUMS IN FORCE	UNEARNED PREMIUMS (estimated)
Mutual of Omaha Insurance Company		5,096,974.55	1,009,282.98
	Totals	5,096,974.55	1,009,282.98

‡Show also domiciliary state or country.

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

SCHEDULE S—Part 3

Showing Data on Reinsurance Ceded for ALL Life Insurance and Related Benefits†

NAME OF COMPANY	‡LOCATION	*TYPE OF RE-INSURANCE CEDED	AMOUNT IN FORCE AT END OF YEAR	RESERVE CREDIT TAKEN	PREMIUMS
Amalgamated Labor Life Ins. Co.	Chicago, Illinois				
Group		YRT	6,932,000	-0-	29,554.80
American United Life Ins. Co.	Indianapolis, Indiana				
Life		YRT	5,390,421	41,366	56,041.10
TD		YRT		70,686	210.20
DI		YRT		1,518	3,016.47
Business Men's Assurance Co.	Kansas City, Missouri				
Life		YRT	2,858,434	20,916	40,869.51
TD		YRT		905	343.06
DI		YRT		13	25.00
Colonial General Life Ins. Co.	Brookfield, Illinois				
Group		YRT	11,974,000	-0-	-0-
Connecticut General Life Ins. Co.	Hartford, Connecticut				
Life		YRT	17,050,453	95,841	111,773.17
TD		YRT		1,004	722.65
DI		YRT		1,146	2,239.27
Lincoln National Life Ins. Co.	Fort Wayne, Indiana				
Life		CO	9,000	6,982)	
Life		YRT	7,181,115	78,624)	194,775.30
TD		YRT		20,915	12.24
DI		YRT		91	181.03
North American Reassurance Co.	New York, New York				
Life		YRT	8,259,990	68,145	89,666.23
TD		YRT		2,835	1,334.39
DI		YRT		2,110	4,419.61
Group		YRT	94,000	-0-	666.33
Republic National Life Ins. Co.	Dallas, Texas				
Life		YRT	187,994	911	1,274.74
	Totals		59,987,407 (To agree with Lines 20 and 39, Page 15)	444,008 (To agree with appropriate lines in Exh. 8)	537,125.10 (To agree with Line 26, Exh. 1)

†Do not include jointly underwritten group contracts.

‡Show also domiciliary state or country.

*Indicate type of reinsurance ceded by symbols: YRT (yearly renewable term); CO (co-insurance), OTH (other types). If more than one kind in the same company, show separate line for each kind.

NOTE: Companies actively engaged in the business of reinsuring the life and related business of other companies may show Totals only and file the details of the information required in this Part 3 on or before June 30th of the year following the statement date and such information will not be considered as part of the annual statement which is a public document.

GENERAL INTERROGATORIES

1. Has the company reported in this schedule the required data on all reinsurance ceded? Answer: Yes

2. Are any of the reinsurers listed in this schedule owned or controlled, either directly or indirectly, by the company, or by any representative, officer, trustee, or director of the company? Answer: No if so, give full particulars

3. Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U. S. Branches of such companies) which is owned or controlled directly or indirectly by the insured, the beneficiary, a creditor of the insured, or any other person not primarily engaged in the insurance business? Answer: No

ANNUAL STATEMENT FOR THE YEAR 1963 OF THE INTER-STATE LIFE INSURANCE COMPANY

(Write or Stamp Name)

SCHEDULE X—Part 1—UNLISTED ASSETS

THE FIGURES ON THIS PAGE DO NOT INCLUDE SEPARATE ACCOUNT ITEMS, IF ANY.

Showing all property owned by or in which the Company had any interest, on December 31 of current year, which is not entered on any other schedule and which is not included in the financial statement for the current year

DESCRIPTION	FROM WHOM ACQUIRED	DATE WHEN ACQUIRED	DATE WHEN CHARGED OFF FROM STATEMENT	PAR VALUE	ACTUAL COST	BOOK VALUE WHEN CHARGED OFF	MARKET VALUE DECEMBER 31 OF CURRENT YEAR	GROSS INCOME THEREFROM DURING YEAR	OUTLAYS MADE DURING YEAR	REASONS FOR NOT CARRYING PROPERTY ON BOOKS
Swedish Match Company, Class B, 120 shares	International Match Realization Corporation (Liquidated 1949)	1931-1935	1934-1935	0	10,575.00	10,575.00	4,320.00	0	0	Bankruptcy of International Match Company
Billings, Montana, Special Improvement District No. 227 - Bond No. 95	American Life Insurance Company, Denver, Colo.	1935	1941	500.00	500.00	500.00	0	0	0	Considered of no value
		Totals		500.00	11,075.00	11,075.00	4,320.00	0	0	

SCHEDULE X—Part 2

Showing all property acquired or transferred to Schedule X, Part 1, during the year except that shown in Schedules A, B, C and D and except furniture, fixtures and supplies

DESCRIPTION	DATE OF ACQUISITION	FROM WHOM ACQUIRED	PAR VALUE	ACTUAL COST
NONE				
Totals				

SCHEDULE X—Part 3

Showing all property sold or transferred from Schedule X, Part 1, during the year except that shown in Schedules A, B, C and D.

DESCRIPTION	DATE OF ACQUISITION	FROM WHOM ACQUIRED	PAR VALUE	ACTUAL COST	DATE OF SALE	TO WHOM SOLD	CONSIDERATION	GROSS INCOME THEREFROM DURING YEAR	OUTLAY THEREON DURING YEAR OTHER THAN COST
NONE									
Totals									

*Companies should limit entries in this schedule to items transferred from asset accounts. NOTE.—Interest, dividends and real estate income should be reported in Exhibit 3, Line 8; capital gains on investments should be reported in Exhibit 4, Line 9; any other receipts should be reported in Item 5 or 6, Page 4.

THE INFORMATION ON THIS PAGE PERTAINS TO THE ENTIRE COMPANY BUSINESS, INCLUDING SEPARATE ACCOUNT BUSINESS, IF ANY.

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

STATES, ETC. (1)	DIRECT BUSINESS ONLY		
	Life Insurance Premiums (2)	Annuity Considerations (3)	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees
Alabama	284,806.92	1,388.10	177,350.23
Alaska	239,729.36		177,196.91
Arizona	629,987.24	11,423.01	121,668.68
Arkansas	252,513.17	828.79	149,946.14
California	3,417,185.45	24,014.79	6,896,154.54
Colorado	511,207.88	3,466.11	487,369.85
Connecticut	704,771.82	55,524.42	142,893.37
Delaware	80,192.71	450.00	12,052.67
Dist. Columbia	1,395,227.02	7,625.04	96,825.12
Florida	950,413.13	16,875.30	253,808.93
Georgia	466,220.52	4,793.74	337,120.63
Hawaii	1,512,029.72	2,414.20	110,184.06
Idaho	391,722.06	2,261.01	154,276.06
Illinois	3,951,319.23	301,057.24	2,451,763.54
Indiana	1,146,775.72	4,973.50	999,120.19
Iowa	1,220,794.53	11,755.48	1,046,687.95
Kansas	778,514.88	26,551.43	180,608.76
Kentucky	449,861.53	24,564.48	310,221.66
Louisiana	597,654.43	1,638.23	300,475.86
Maine	374,155.35	16,253.60	72,405.42
Maryland	726,009.24	6,178.80	273,391.49
Massachusetts	917,919.92	4,460.80	228,427.03
Michigan	3,412,295.82	60,757.61	1,594,810.92
Minnesota	1,058,868.82	7,024.04	1,302,957.46
Mississippi	414,239.40	338.12	166,180.84
Missouri	1,033,471.25	4,385.02	679,088.12
Montana	406,771.48	1,291.42	401,714.45
Nebraska	1,830,396.27	1,813,059.61	2,312,327.30
Nevada	399,818.96	771.64	710,335.76
New Hampshire	310,692.69	7,894.16	157,851.03
New Jersey	1,138,275.54	11,482.40	1,428,835.97
New Mexico	266,913.45	2,252.86	35,107.67
New York	1,157,590.70	43,800.92	450,748.06
North Carolina	892,343.86	8,635.98	206,660.01
North Dakota	269,777.46	9,571.55	198,509.05
Ohio	2,866,897.51	56,537.68	1,357,322.71
Oklahoma	317,982.87	2,961.85	303,225.22
Oregon	920,364.82	45,781.84	885,253.12
Pennsylvania	5,353,612.05	346,798.90	1,214,011.96
Rhode Island	321,987.10	13,920.38	37,698.59
South Carolina	252,558.89	1,308.00	132,097.85
South Dakota	367,903.51	3,721.94	187,298.58
Tennessee	523,642.32	1,431.94	264,680.26
Texas	1,109,975.99	13,004.50	710,802.53
TOTALS (forward)	45,625,392.59	2,985,230.63	29,717,466.55

STATES, ETC. (1)	DIRECT BUSINESS ONLY		
	Life Insurance Premiums (2)	Annuity Considerations (3)	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees
TOTALS (forward)	45,625,392.59	2,985,230.63	29,717,466.55
Utah	308,458.27		66,858.45
Vermont	107,966.40	3,135.16	55,139.24
Virginia	774,320.82	16,533.13	357,790.02
Washington	1,021,128.93	3,318.02	3,111,856.99
West Virginia	375,791.94	2,041.55	597,353.07
Wisconsin	779,187.62	5,757.07	1,683,342.02
Wyoming	224,324.26	4,780.00	85,220.44
Canada	946,787.24	61,691.37	4,226.89
Cuba			
Puerto Rico	359,124.39	88.46	366,686.78
Philippine Is.			
Mexico			
Other foreign	816,186.55	2,573.25	7,453.05
Canal Zone	279,111.32	76.30	5,141.70
Guam	45,380.91		211.00
Panama	64,332.39		900.69
Virgin Islands	3,283.52		45.00
†Dividends applied to purchase paid-up additions and annuities	106.88		
†Dividends applied to shorten endowment or premium-paying period			
Premium or annuity Considerations waived under disability or other contract provisions	165,437.92	3,462.91	
Total (Direct Business)	51,896,321.95	3,088,687.85	36,059,691.89
Plus Reinsurance Assumed	2,990,446.55		6,326,010.91
Total (All Business)	54,886,768.50	3,088,687.85	42,385,702.80
Less Reinsurance Ceded	517,552.20		37,062,753.05
*TOTAL (All Business) less Reinsurance ceded	54,369,216.30	3,088,687.85	5,322,949.75

Explanation of basis of allocation by states, etc., of premiums and annuity considerations

Premiums and annuity considerations are allocated by the domicile of the policyholder.

†Dividends applied to pay renewal premiums and consideration for annuities must be included in columns (2) and (3) respectively and distributed by states.

*The sum of columns (2) and (3) should balance with Exhibit 1, Lines 6, 10 and 16, Col. 1, less Cols. 9 and 10, this statement, plus the corresponding items of the Separate Account Statement.

Column (4) should balance with Exhibit 1, Lines 6, 10 and 16, Cols. 9 and 10, or with Schedule H, Line 7; indicate which Exhibit 1

ANNUAL STATEMENT

OF THE

SEPARATE ACCOUNT BUSINESS

OF THE

UNITED BENEFIT
Life Insurance Company

of

OMAHA

in the

STATE OF NEBRASKA

TO THE

Insurance Department

OF THE

STATE OF

FOR THE YEAR ENDED
DECEMBER 31, 1963

1963

PLAINTIFF'S EXHIBIT NO. 8-B

United Benefit Life Insurance Company's Annual Statement, for the year ended December 31, 1963, has been signed by G. A. Ecklund, Vice President, on the line usually designated for the president.

N. M. Longworth, the former president, died November 8, 1963, and a successor has not, as yet, been elected by the Board of Directors.

February 10, 1964

ANNUAL STATEMENT

For the Year Ended December 31, 1963

OF THE CONDITION AND AFFAIRS OF THE

SEPARATE ACCOUNT BUSINESS OF THE

UNITED BENEFIT LIFE INSURANCE COMPANY

Organized under the Laws of the State of NEBRASKA, made to the

INSURANCE DEPARTMENT OF THE STATE OF

PURSUANT TO THE LAWS THEREOF

Incorporated AUGUST 9, 1926 Commenced Business NOVEMBER 26, 1926

Home Office 3316 FARNAM STREET (Street and Number), OMAHA, NEBRASKA 68131 (City or Town, Zone Number and State)

Mail Address 3316 FARNAM STREET (Street and Number), OMAHA, NEBRASKA 68131 (City or Town, Zone Number and State)

OFFICERS

President Deceased November 8, 1963

Secretary FRANK P. HANNAN

Treasurer M. T. CRUMMER

Vice-Presidents M. L. CRISS, N. L. CRISS, R. L. DALY, G. A. ECKLUND, A. W. RANDALL, R. J. TAYLOR, R. S. WAGNER, W. R. WELLMAN

VICE-PRESIDENT & Actuary DALE R. GUSTAFSON

DIRECTORS OR TRUSTEES

MELVIN BEKINS	OMAHA, NEBRASKA	DALE E. DAVIS	OMAHA, NEBRASKA	A. W. LARSEN	OMAHA, NEBRASKA
GEORGE B. BOLAND	OMAHA, NEBRASKA	FRANK P. HORAN	OMAHA, NEBRASKA	V. J. SKUTT	OMAHA, NEBRASKA
W. DALE CLARK	OMAHA, NEBRASKA	PHILIP E. HORAN	OMAHA, NEBRASKA	W. O. SWANSON	OMAHA, NEBRASKA
M. L. CRISS	OMAHA, NEBRASKA	DONALD K. HOWE	OMAHA, NEBRASKA	PAUL R. THOMPSON	OMAHA, NEBRASKA
R. L. DALY	OMAHA, NEBRASKA			JOSEPH J. VINARDI	OMAHA, NEBRASKA

State of NEBRASKA
County of DOUGLAS } ss:

G. A. Ecklund Vice President, Frank P. Hannan, Secretary, Dale R. Gustafson, Actuary, M. T. Crummer, Treasurer* of the United Benefit Life Insurance Company, being duly sworn, each for himself deposes and says that they are the above described officers of the said insurer, and that on the thirty-first day of December last, all of the herein described assets were the absolute property of the said insurer free and clear from any liens or claims thereon, except as herein stated, and that this annual statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said insurer as of the thirty-first day of December last, and of its income and deductions therefrom for the year ended on that date, according to the best of their information, knowledge and belief, respectively.

Subscribed and sworn to before me this

11th day of February, 1964

Notary Public

Frank P. Hannan Vice President.

Dale R. Gustafson Secretary.

Actuary.

Treasurer*.

*Or corresponding persons having charge of the accounts and finances of the insurer.

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ANNUAL STATEMENT FOR THE YEAR 1963
OF THE SEPARATE ACCOUNT BUSINESS

Form 1-S

OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

ASSETS

		DOLLARS	CENTS
1.	Bonds (Schedule D)	87,194	15
2.	Stocks (Schedule D)	196,465	42
3.	Mortgage loans on real estate (Schedule B)	0	
4.	Real estate (Schedule A)		
4.1	Properties occupied by the Company (less $ ..... encumbrances)		
4.2	Properties acquired in satisfaction of debt (less $ ..... encumbrances)		
4.3	Investment real estate (less $ ..... encumbrances)	0	
5.	Policy loans	0	
6.	Premium notes	0	
7.	Collateral loans (Schedule C)	0	
8.	Cash and bank deposits (Exhibit 13)	0	
9.	Separate Account Clearing	46	36
10.			
10A.	Cash and invested assets $ 283,705.93 (Items 1 to 10)		
11.	Amounts recoverable from reinsurers (Schedule S)	0	
12.			
13.			
14.			
15.			
16.			
17.	Life insurance premiums and annuity considerations deferred and uncollected	0	
18.	Accident and health premiums due and unpaid effective after September 30th of current year	0	
19.	Interest and other investment income due and accrued	2,584	40
20.	Net adjustment in assets and liabilities due to foreign exchange rates	0	
21.			
22.			
23.			
24.			
25.			
26.	TOTAL	286,290	33

NOTE: The items on this page to agree with Exhibit 13, Col. 4.

State basis of valuation:

Market quotations as required for determination of policy accumulations.

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ANNUAL STATEMENT FOR THE YEAR 1963
OF THE SEPARATE ACCOUNT BUSINESS

OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

LIABILITIES, SURPLUS AND OTHER FUNDS

		DOLLARS	CENTS
1.	Aggregate reserve for life policies and contracts (Exhibit 8)	110,159	69
2.	Aggregate reserve for accident and health policies (Exhibit 9, Part 1)	0	
3.	Supplementary contracts without life contingencies (Exhibit 10, Col. 3)	0	
4.	Policy and contract claims		
4.1	Life (Exhibit 11, Part 1)	0	
4.2	Accident and Health (Exhibit 9, Part 2)	0	
5.	Policyholders' dividend accumulations (Exhibit 10, Col. 6)	0	
6.	Policyholders' dividends due and unpaid	0	
7.	Provision for policyholders' dividends payable in following calendar year - estimated amounts:		
7.1	Apportioned for payment to . 19 . $	0	
7.2	Not yet apportioned	0	
8.	Amount provisionally held for deferred dividend policies not included in Item 7	0	
9.	Premiums and annuity considerations received in advance less $ discount; including $ accident and health premiums	0	
10.	Liability for premium deposit funds	0	
11.	Policy and contract liabilities not included elsewhere:		
11.1	Surrender values on cancelled policies	0	
11.2	Provision for experience rating refunds	0	
11.3			
12.			
13.	Commissions to agents due or accrued—Life and Annuity $ Accident and Health $	0	
14.	General expenses due or accrued (Exhibit 5, Line 11)	229	76
15.	Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 6, Line 8)	0	
15A.	Federal income taxes due or accrued (including $ 3,892.33 on capital gains)	3,892	33
16.	"Cost of collection" on premiums and annuity considerations deferred and uncollected in excess of total loading thereon	0	
17.	Unearned investment income (Exhibit 3, Col. 2)	0	
18.	Amounts withheld or retained by company as agent or trustee	0	
19.	Amounts held for agents' account (including $ agents' credit balances)	0	
20.	Remittances and items not allocated	0	
21.	Net adjustment in assets and liabilities due to foreign exchange rates	0	
22.	Liability for benefits for employees and agents if not included above	0	
23.	Borrowed money $ and interest thereon $	0	
24.	Dividends to stockholders declared and unpaid	0	
25.	Miscellaneous liabilities (give items and amounts)		
25.1	Mandatory securities valuation reserve	0	
25.2			
25.3			
25.4			
25.5			
25.6			
25.7			
25.8			
25.9			
26.	TOTAL LIABILITIES (Except Capital)	114,281	78
27.	Special surplus funds:		
27.1	$		0
27.2			
27.3	$ 0		
28.	Capital paid-up 0		
29.	Unassigned surplus 172,008.55		
30.	Total of Items 27 to 29	172,008	55
31.	TOTAL	286,290	33

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ANNUAL STATEMENT FOR THE YEAR 1963
OF THE SEPARATE ACCOUNT BUSINESS

Form 1-S

OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

SUMMARY OF OPERATIONS
(ACCRUAL BASIS)

		DOLLARS	CENTS
1.	Premiums and annuity considerations (Exhibit 1, Part 1)		
1.1	Life	95,155	00
1.2	Accident and health	0	
2.	Considerations for supplementary contracts with life contingencies	0	
3.	Considerations for supplementary contracts without life contingencies and dividend accumulations	0	
4.	Net investment income and capital gains and losses (Exhibit 2)	30,944	52
5.			
6.			
7.	TOTAL	126,099	52
	DEDUCT:		
8.	Death benefits		
9.	Matured endowments		
10.	Annuity benefits	4,061	20
11.	Disability benefits		
12.	Surrender benefits		
12A.	Group conversions		
13.	Benefits under accident and health policies		
14.	Interest on policy or contract funds		
15.	Payments on supplementary contracts with life contingencies		
16.	Payments on supplementary contracts without life contingencies and of dividend accumulations		
16A.	Amounts transferred from separate accounts		
16B.	Payments of withdrawal benefits		
17.	Increase in aggregate reserve for policies and contracts with life contingencies	75,926	33
18.	Increase in reserve for supplementary contracts without life contingencies and for dividend accumulations		
19.			
20.	Subtotal (Items 8 to 19)	79,987	53
21.	Commissions on premiums and annuity considerations		
22.			
23.	General insurance expenses (Exhibit 5, Cols. 1 and 2, Line 13)	25,153	19
24.	Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 6, Cols. 1 and 2, Line 10)		
25.	Increase in loading on and cost of collection in excess of loading on deferred and uncollected premiums		
26.			
27.	Total (Items 20 to 26)	105,140	72
28.	Net gain from operations before dividends to policyholders and federal income taxes (Item 7 minus Item 27)	20,958	80
29.	Dividends to life policyholders (Exhibit 7)	0	
30.	Dividends on accident and health policies (Exhibit 7)	0	
31.	Increase in amount provisionally held for deferred dividend policies	0	
32.	TOTAL (Items 29 to 31)	0	
32A.	Net gain from operations after dividends to policyholders and before federal income taxes (Item 28 minus Item 32)	20,958	80
32B.	Federal income taxes incurred	3,316	11
33.	NET GAIN FROM OPERATIONS AFTER DIVIDENDS TO POLICYHOLDERS AND FEDERAL INCOME TAXES (Item 32A minus Item 32B)	17,642	69

SURPLUS ACCOUNT

		DOLLARS	CENTS
34.	Special surplus funds December 31, previous year	0	
35.	Unassigned surplus December 31, previous year	154,365	86
36.			
36A.			
36B.			
37.	Net gain (from Item 33)	17,642	69
38.			
39.	Surplus paid in	0	
40.	Net gain from non-admitted and related items (Exhibit 14, Col. 3, Line 40)	0	
41.	Decrease in mandatory securities valuation reserve	0	
42.	TOTAL	172,008	55

		DOLLARS	CENTS
43.	Dividends to stockholders		
44.			
44A.			
44B.			
45.			
46.	Increase in reserve on account of change in valuation basis		
47.	Net loss from non-admitted and related items (Exhibit 14, Col. 3, Line 40)		
48.	Increase in mandatory securities valuation reserve		
49.	Special surplus funds December 31, current year (Item 27, Page 3)		
50.	Unassigned surplus December 31, current year (Item 29, Page 3)	172,008	55
51.	TOTAL	172,008	55

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ANNUAL STATEMENT FOR THE YEAR 1963 OF THE SEPARATE ACCOUNT BUSINESS OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS
(Gain and Loss Exhibit)

	Total (1)	Industrial Life (Including Total and Permanent Disability and Accidental Death Benefits) (2)	Ordinary: Life Insurance (3)	Ordinary: Total and Permanent Disability (4)	Ordinary: Additional Accidental Death (5)	Ordinary: Individual Annuities (6)	Ordinary: Supplementary Contracts (7)	Group: Life Insurance (8)	Group: Annuities (9)	Accident and Health: Group (10)	Accident and Health: Individual (11)
1. Premiums and annuity considerations (Exhibit 1, Part 1)	95,155.00					95,155.00	X X X				
2. Considerations for supplementary contracts with life contingencies	0	N	X X X	X X X	X X X	X X X	N	N	N	X X X	X X X
3. Considerations for supplementary contracts without life contingencies and dividend accumulations	0	0	N 0 N	N 0 N	N 0 N	0	0	0	0	N 0 N	N 0 N
4. Net investment income and capital gains and losses (Exhibit 2)	30,944.52	N				30,944.52	N	N	N		
5. ...											
6. ...											
7. TOTAL	126,099.52	E	E	E	E	126,099.52	E	E	E	E	F
8. Death benefits	0		X X X			X X X			X X X	X X X	X X X
9. Matured endowments	0		X X X	X X X	X X X	X X X			X X X	X X X	X X X
10. Annuity benefits	4,061.20		X X X	X X X	X X X	4,061.20		X X X		X X X	X X X
11. Disability benefits	0		X X X		X X X	0				X X X	X X X
12. Surrender benefits	0			X X X	X X X	X X X			X X X	X X X	X X X
12A. Group conversions	0				X X X	X X X			X X X		
12B. Transfers on account of group package policies and contracts	X X X	X X X	X X X	X X X	X X X	X X X	X X X				X X X
13. Benefits under accident and health policies	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
14. Interest on policy or contract funds	0					0					
15. Payments on supplementary contracts with life contingencies	0		X X X	X X X	X X X	X X X				X X X	X X X
16. Payments on supplementary contracts without life contingencies and of dividend accumulations	0					0					
16A. Amounts transferred from separate accounts	0					0					
16B. Payments of withdrawal benefits	0					0					
17. Increase in aggregate reserve for policies and contracts with life contingencies	75,926.33					75,926.33					
18. Increase in reserves for supplementary contracts without life contingencies and for dividend accumulations	0					0					
19. ...											
20. SUBTOTAL (Items 8 to 19)	79,987.53					79,987.53					
21. Commissions on premiums and annuity considerations	0					0					
22. ...											
23. General insurance expenses (Exhibit 5, Cols. 1 and 2, Line 13)	25,153.19					25,153.19					
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 6, Cols. 1 and 2, Line 10)	0					0					
25. Increase in loading on and cost of collection in excess of loading on deferred and uncollected premiums	0					0					
25A. Adjustments between accounts	0					0					
26. ...											
27. TOTAL (Items 20 to 26)	105,140.72					105,140.72					
28. Net gain from operations before dividends to policyholders and federal income taxes (Item 7 minus Item 27)	20,958.80					20,958.80					
29. Dividends to life policyholders (Exhibit 7)	0					0					
30. Dividends on accident and health policies (Exhibit 7)	0	X X X	X X X	X X X	X X X	0	X X X	X X X	X X X	X X X	X X X
31. Increase in amounts provisionally held for deferred dividend policies	0					0					
32. TOTAL (Items 29 to 31)	0					0				X X X	X X X
32A. Net gain from operations after dividends to policyholders and before federal income taxes (Item 28 minus Item 32)	20,958.80					20,958.80					
32B. Federal income taxes incurred	3,316.11					3,316.11					
33. Net gain from operations after dividends to policyholders and federal income taxes (Item 32A minus Item 32B)	17,642.69					17,642.69					

Form 1-S ANNUAL STATEMENT FOR THE YEAR 1963 OF THE SEPARATE ACCOUNT BUSINESS OF THE UNITED BENEFIT LIFE INSURANCE COMPANY 74
(Write or stamp name of Company)

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

(Gain and Loss Exhibit)

	TOTAL (1)	INDUSTRIAL LIFE (Including Total and Permanent Disability and Accidental Death Benefits) (2)	ORDINARY					GROUP	
			Life Insurance (3)	Total and Permanent Disability (4)	Accidental Death Benefits (5)	Individual Annuities (6)	Supplementary Contracts (7)	Life Insurance (8)	Annuities (9)
1. Reserve Dec. 31 of previous year	34,233.36	N O N E	N O N E	N O N E	N O N E	34,233.36	N O N E	N O N E	N O N E
2. Tabular net premiums or considerations	72,326.86					72,326.86			
3. Considerations for supplementary contracts without life contingencies and dividend accumulations	0					0			
4. Present value of disability claims incurred	0		X X X		X X X	0	X X X		
5. Tabular interest	7,660.67					7,660.67			
6. Tabular less actual reserve released	0	X X X	X X X		X X X	0			
7. Increase in reserve on account of change in valuation basis	0					0			
8. Other increases (net)	0					0			
9. TOTALS (Items 1 to 8)	114,220.89					114,220.89			
10. Tabular cost	0					0	X X X		
11. Reserves released by death	0			X X X	X X X	X X X	X X X		X X X
12. Reserves released by other terminations (net)	4,061.20					4,061.20			
13. Annuity, supplementary contract, disability and accumulated dividend payments	0					0			
14. TOTAL DEDUCTIONS (Items 10 to 13)	4,061.20					4,061.20			
15. Reserve Dec. 31 of current year	110,159.69					110,159.69			

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ANNUAL STATEMENT FOR THE YEAR 1963 OF THE SEPARATE ACCOUNT BUSINESS OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

EXHIBIT 1

	Total (1)	Industrial Life (Including Total and Permanent Disability and Accidental Death Benefits) (2)	Ordinary: Life Insurance (3)	Ordinary: Total and Permanent Disability (4)	Ordinary: Additional Accidental Death (5)	Ordinary: Individual Annuities (6)	Group: Life Insurance (7)	Group: Annuities (8)	Accident and Health: Group (9)	Accident and Health: Individual (10)	
PART 1—Premiums and Annuity Considerations (Gross, Less Reinsurance Ceded)											
FIRST YEAR (Other Than Single)											
1. Uncollected	0	N	N	N	N	0	N	N	N	N	1.
2. Deferred	0					0					2.
3. Line 1 + Line 2	0	0	0	0	0	0	0	0	0	0	3.
4. Advance	0					0					4.
5. Line 3 — Line 4	0	N	N	N	N	0	N	N	N	N	5.
6. Collected during year	34,040.00					34,040.00					6.
7. Line 5 + Line 6	34,040.00	E	E	E	E	34,040.00	E	E	E	E	7.
8. Previous year (uncollected + deferred — advance)	0					0					8.
9. First year premiums and considerations Line 7 — Line 8	34,040.00					34,040.00					9.
SINGLE											
10. Single premiums and considerations	0					0					10.
RENEWAL											
11. Uncollected	0					0					11.
12. Deferred	0					0					12.
13. Line 11 + Line 12	0					0					13.
14. Advance	0					0					14.
15. Line 13 — Line 14	0					0					15.
16. Collected during year	61,115.00					61,115.00					16.
17. Line 15 + Line 16	61,115.00					61,115.00					17.
18. Previous year (uncollected + deferred — advance)	0					0					18.
19. Renewal premiums and considerations Line 17 — Line 18	61,115.00					61,115.00					19.
TOTAL											
20. Total premiums and annuity considerations Lines 9, 10 and 19 (to agree with Item 1, Page 4)	95,155.00					95,155.00					20.
PART 2—Dividends Applied, Reinsurance Ceded and Commissions Incurred											
DIVIDENDS APPLIED (Included in Part 1)											
21. To pay renewal premiums (Exhibit 7, Line 1)											21.
22. All other (Exhibit 7, Lines 2, 3 and 4)											22.
REINSURANCE CEDED (Deducted in Part 1)											
23. First year (other than single)											23.
24. Single											24.
25. Renewal											25.
26. Total											26.
COMMISSIONS INCURRED											
27. First year (other than single)											27.
28. Single											28.
29. Renewal											29.
30. Total (to agree with Item 21, Page 5)											30.

NONE

OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

EXHIBIT 2—NET INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES
(Accrual Basis)

		DOLLARS	CENTS
1.	Total interest, dividends and real estate income (Exhibit 3, Col. 7, Line 10)	8,895	54
2.	Capital gains and losses (Exhibit 4, Col. 6, Line 10)	22,048	98
3.	Total investment income and capital gains and losses (Line 1, plus Line 2)	30,944	52
4.	Investment expenses (Exhibit 5, Col. 3, Line 13)	0	
5.	Taxes, licenses and fees, excluding federal income taxes (Exhibit 6, Col. 3, Line 10)	0	
6.	Depreciation on real estate	0	
7.			
8.	TOTAL (Lines 4 to 7 inclusive)	0	
9.	NET INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES—Line 3 less Line 8 (to Item 4, Page 4)	30,944	52

EXHIBIT 3—INTEREST, DIVIDENDS AND REAL ESTATE INCOME

		COLLECTED DURING YEAR (1)	CURRENT YEAR UNEARNED (2)	CURRENT YEAR DUE (3)	CURRENT YEAR ACCRUED (4)	CURRENT YEAR NON-ADMITTED† (5)	PREVIOUS YEAR (3)+(4)−(2)−(5) (6)	EARNED DURING YEAR (1)−(2)+(3)+(4)−(5)−(6) (7)
1.	Interest on bonds	* 3,064.35	0	0	1,119.62	0	901.77	3,282.20
2.	Dividends on stocks	‡ 4,517.86	0	1,464.78	0	0	369.30	5,613.34
3.	Interest on mortgage loans	**						0
4.	Real estate income	***						0
5.	Interest on premium notes, policy loans and liens							0
6.	Interest on collateral loans							0
7.	Interest on bank deposits							0
8.	.....							0
9.	.....							0
10.	TOTALS	7,582.21	0	1,464.78	1,119.62	0	1,271.07	8,895.54

*Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 54.41 paid for accrued interest on purchases.
‡Excludes $ 0 paid for accrued dividends on purchases.
**Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued interest on purchases.
***Includes $ 0 for company's occupancy of its own buildings; and excludes $ 0 interest on encumbrances.

†State bases of exclusions:
Bonds
Stocks
Mortgage loans
Real estate
Collateral loans
Bank deposits

*EXHIBIT 4—CAPITAL GAINS AND LOSSES ON INVESTMENTS

		INCREASE IN BOOK VALUE (1)	PROFIT ON SALE OR MATURITY (2)	DECREASE IN BOOK VALUE (3)	LOSS ON SALE OR MATURITY (4)	NET GAIN (+) OR LOSS (−) FROM CHANGE IN DIFFERENCE BETWEEN BOOK AND ADMITTED VALUES (5)	NET GAINS (+) OR LOSSES (−) (1)+(2)−(3)−(4)+(5) (6)
1.	Bonds					-1,729.38	-1,729.38
2.	Stocks					23,778.36	23,778.36
3.	Mortgage loans					0	0
4.	Real estate			**		0	0
5.	Premium notes, policy loans and liens					0	0
6.	Collateral loans					0	0
7.	Cash and bank deposits					0	0
8.	Foreign exchange	X X X	X X X	X X X	X X X	0	0
9.	.....						
10.	TOTALS					22,048.98	22,048.98

DISTRIBUTION OF LINE 10, COL. (6). (Attach statement or memorandum explaining basis of division).

11.	Net realized capital gains (+) or losses (−) on assets disposed of during the year $, less $ reflected in previous years' statements	0
12.	Net unrealized capital gains (+) or losses (−) of the year	22,048.98

*Adjustments due to amortization to be reported in Exhibit 3.
**Excluding $ 0 depreciation on real estate included in Exhibit 2, Line 4.

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ANNUAL STATEMENT FOR THE YEAR 1963
OF THE SEPARATE ACCOUNT BUSINESS

OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

EXHIBIT 5—GENERAL EXPENSES

		INSURANCE		INVESTMENT	TOTAL
		LIFE (1)	ACCIDENT AND HEALTH (2)	(3)	(4)
1.	Rent				
2.	Salaries and wages				
3.11	*Contributions for benefit plans for employees				
3.12	*Contributions for benefit plans for agents				
3.21	Payments to employees under non-funded benefit programs				
3.22	Payments to agents under non-funded benefit programs				
3.31	Other employee welfare				
3.32	Other agent welfare				
3.4					
4.1	Legal fees and expenses				
4.2	Medical examination fees				
4.3	Inspection report fees				
4.4	Fees of public accountants and consulting actuaries				
4.5	Expense of investigation and settlement of policy claims				
4.6					
5.1	Traveling expenses				
5.2	Advertising				
5.3	Postage, express, telegraph and telephone				
5.4	Printing and stationery				
5.5	Cost or depreciation of furniture and equipment				
5.6	Rental of equipment				
5.7					
6.1	Books and periodicals				
6.2	Bureau and association dues				
6.3	Insurance, except on real estate				
6.4	Miscellaneous losses				
6.5	Collection and bank service charges				
6.6	Sundry general expenses				
6.7	Group service and administration fees				
6.8					
7.1	Agency expense allowance				
7.2	Agents' balances charged off (less $ recovered)				
7.3	Agency conferences other than local meetings				
8.1					
8.2					
9.1	Real estate expenses				
9.2	Investment expenses not included elsewhere				
9.3	Contractual expense allowance	25,078.53	0	0	25,078.53
10.	GENERAL EXPENSES PAID	25,078.53	0	0	25,078.53 (To Line 27, Exhibit 2)
11.	General expenses unpaid December 31, current year	229.76	0	0	229.76
12.	General expenses unpaid December 31, previous year	155.10	0	0	155.10
13.	General expenses incurred during year (10+11−12)	25,153.19 (To Item 23, Page 4)	0	0 (To Line 4, Exhibit 2)	25,153.19

A. Compensation to agents on a plan other than commissions, included in Col. (1): First year $, Renewal $

B. Agency supervision, except Home Office, included in Col. (1): Line 2 $, Line 5.1 $, Line $

C. Branch office expenses other than those in A and B included in Col. (1): Line 1 $, Line 2 $, All other lines $

*These items include $ on account of prior service.

EXHIBIT 6—TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

		INSURANCE		INVESTMENT	TOTAL
		LIFE (1)	ACCIDENT AND HEALTH (2)	(3)	(4)
1.	Real estate taxes				
2.	State insurance department licenses and fees				
3.	State taxes on premiums				
4.	Other state taxes, incl. $ Social Security	NONE			
5.	U. S. Social Security taxes				
6.	All other taxes				
7.	TAXES, LICENSES AND FEES PAID				(To Line 28.1, Exhibit 12)
8.	Taxes, licenses and fees unpaid December 31, current year				
9.	Taxes, licenses and fees unpaid December 31, previous year				
10.	Taxes, licenses and fees incurred during year (7+8−9)	(To Item 24, Page 4)		(To Line 5, Exhibit 2)	

NOTE: Canadian and other foreign taxes are included appropriately in Lines 1, 2, 3, 4 and 6.

EXHIBIT 7—DIVIDENDS TO POLICYHOLDERS

		LIFE	ACCIDENT AND HEALTH
1.	Applied to pay renewal premiums		
2.	Applied to shorten the endowment or premium-paying period		
3.	Applied to provide paid-up additions		
4.	Applied to provide paid-up annuities		
5.	TOTAL LINES 1-4		
6.	Paid in cash	NONE	
7.	Left on deposit with the company		
8.			
9.	TOTAL LINES 5-8		
10.	Amount due and unpaid (Item 6, Page 3)		
11.	Provision for annual dividend policies, including $ terminal dividends (Item 7, Page 3, in part)		
12.	Provision for deferred dividend policies (Item 7, Page 3, in part)		
13.	TOTAL LINES 10-12		
14.	Line 13 of previous year		
15.	TOTAL DIVIDENDS TO POLICYHOLDERS (Lines 9+13−14)	(To Item 29, Page 4)	(To Item 30, Page 4)

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ANNUAL STATEMENT FOR THE YEAR 1963
OF THE SEPARATE ACCOUNT BUSINESS

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OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

EXHIBIT 8—AGGREGATE RESERVE FOR LIFE POLICIES AND CONTRACTS

Valuation Standard (Indicate mortality and interest bases and valuation method by years of issue and in the case of annuities indicate whether immediate, deferred or both) (1)	Total (2)	Industrial (3)	Ordinary (4)	Group (5)	
A. Life Insurance:					
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					
19.					
20.					
21.					
22.					
23. Total (Gross)					
24. Reinsurance ceded					
25. Total (Net)					
B. Annuities (excluding supplementary contracts with life contingencies):					
1. Accumulation at monthly rate depending		X X X			
2. on investment experience. Deferred	110,159.69	X X X	110,159.69		
3.		X X X			
4.		X X X			
5.		X X X			
6.		X X X			
7.		X X X			
8.		X X X			
9.		X X X			
10.		X X X			
11.		X X X			
12.		X X X			
13.		X X X			
14.		X X X			
15.		X X X			
16.		X X X			
17.		X X X			
18.		X X X			
19.		X X X			
20.		X X X			
21.		X X X			
22.		X X X			
23. Total (Gross)	110,159.69	X X X	110,159.69		
24. Reinsurance ceded	0	X X X	0		
25. Total (Net)	110,159.69	X X X	110,159.69		
C. Supplementary Contracts With Life Contingencies:					
1.					
2.					
3.					
4.					
5. Total (Gross)					
6. Reinsurance ceded					
7. Total (Net)					
D. Accidental Death Benefits:					
1.					
2.					
3.					
4.					
5. Total (Gross)					
6. Reinsurance ceded					
7. Total (Net)					
E. Disability—Active Lives:					
1.					
2.					
3.					
4.					
5.					
6.					
7. Total (Gross)					
8. Reinsurance ceded					
9. Total (Net)					
F. Disability—Disabled Lives:					
1.					
2.					
3.					
4.					
5.					
6.					
7. Total (Gross)					
8. Reinsurance ceded					
9. Total (Net)					

OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

EXHIBIT 8—AGGREGATE RESERVE FOR LIFE POLICIES AND CONTRACTS (Continued)

Valuation Standard (Indicate mortality and interest bases and valuation method by years of issue) (1)	Total (2)	Industrial (3)	Ordinary (4)	Group (5)
G. Miscellaneous Reserves:				
1. For excess of valuation net premiums over corresponding gross premiums on respective policies, computed according to the standard of valuation required by this state				
2. For non-deduction of deferred fractional premiums or return of premiums at the death of the insured				
3. For surrender values in excess of reserves otherwise required and carried in this schedule				
4.				
5.				
6.				
7. Total (Gross)				
8. Reinsurance ceded				
9. Total (Net)				
H. Grand Total (Net)—Item 1, Page 3	110,159.69		110,159.69	

EXHIBIT 8A—CHANGES IN BASES OF VALUATION DURING THE YEAR
(Including supplementary contracts set up on a basis other than that used to determine benefits)

	Description of Valuation Class	Valuation Bases Changed from	Valuation Bases Changed to	Increase in Actuarial Reserve Due to Change
1.	NONE			
2.				
3.				
4.				
5.				
6.				
7.	Total (to agree with Item 7, Page 6)			

GENERAL INTERROGATORIES

1. Has the company ever issued both participating and non-participating policies? Answer: No
2. Does the company at present issue both participating and non-participating policies? Answer: No
   If not, state which kind is issued.
   Answer:
3. State the amount of insurance, if any, on which the gross premiums are less than the net premiums according to the standard of valuation required by this State.
   Answer: $ 0
   The additional reserve to cover deficiencies in gross premiums must be included in Exhibit 8. If not reported in G. 1, above, state amount $
4. Does the Company waive deduction of deferred fractional premiums at death on any of its business?
   Answer: No
5. State the amounts of insurance in force under each of the following plans:

	Non-Participating	Participating: Annual Div.	Participating: Def. Div.
Industrial			
Ordinary	NONE		
Group			
Totals			

6. Is any surrender value promised in excess of the reserve as legally computed? Answer: No If so, the amount of such excess must be included in G 3 above. Has this been done? Answer:
7. Attach statement of methods employed in the valuation of policies issued at, or subsequently subject to, an extra premium or in the valuation of policies otherwise issued on lives classed as substandard for the plan of contract issued or on special class lives (including paid-up insurance).
8. Has the company any assessment or stipulated premium policies in force? Answer: No If so, state:
   Amount of insurance $
   Amount of reserve $
   Basis of reserve:
   Basis of regular assessments:
   Basis of special assessments:
   Assessments collected during year $

EXHIBIT 9—AGGREGATE RESERVE AND POLICY CLAIM LIABILITY FOR ACCIDENT AND HEALTH POLICIES

	Total (1)	Group Accident and Health (2)	Individual Policies: Accident Only (3)	Individual Policies: Accident and Health (4)	Individual Policies: Non-Cancellable Accident and Health (5)	Individual Policies: Hospital and Medical Expenses (6)
PART 1—Aggregate Reserve						
1. Unearned premium reserve	NONE					
2. Additional reserves for guaranteed renewable policies*						
3. Present value of amounts not yet due on claims						
4. Reserve for future contingent benefits (deferred maternity and other similar benefits)						
5.						
6.						
7. Total (Gross)						
8. Reinsurance ceded						
9. Total (Net), (to Item 2, Page 3)						
Part 2—Policy Claim Liability End of Current Year						
1. Due and unpaid	NONE					
2. In course of settlement						
3. Incurred but unreported (less reinsurance ceded)						
4. Total						
5. Less amounts recoverable on unpaid losses for reinsurance ceded (Schedule S)						
6. Net Liability (to Item 4.2, Page 3)						

*Attach statement as to valuation standard used in calculating this reserve.

†Include portion of liability applicable to assumed "accrued" payments. Reserve for unaccrued payments appears in Item 2, Page 3 (see Part 1).

EXHIBIT 10—SUPPLEMENTARY CONTRACTS WITHOUT LIFE CONTINGENCIES AND DIVIDEND ACCUMULATIONS

	Valuation Rate (1)	Contract Rate or Rates ‡ (2)	Supplementary Contracts Without Life Contingencies: Present Value of Amounts Not Yet Due (3)	Supplementary Contracts Without Life Contingencies: Amounts Left on Deposit (4)	Supplementary Contracts Without Life Contingencies: Totals (5)	Dividend Accumulations (6)
1.			NONE			
2.						
3.						
4.						
5.						
6.						
7. Totals (as per Items 3 and 5, Page 3)						

‡Show contract rate or rates corresponding to each valuation rate.

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(Write or stamp name of Company)

EXHIBIT 11—POLICY AND CONTRACT CLAIMS FOR OTHER THAN ACCIDENT AND HEALTH POLICIES

PART 1—Liability End of Current Year

	Total (1)	Industrial Life (Including Total and Permanent Disability and Accidental Death Benefits) (2)	Ordinary: Life Insurance (3)	Ordinary: Total and Permanent Disability (4)	Ordinary: Additional Accidental Death (5)	Ordinary: Individual Annuities (6)	Ordinary: Supplementary Contracts (7)	Group: Life Insurance (8)	Group: Annuities (9)
1. Due and unpaid				NONE					
2. In course of settlement:									
2.1 Resisted									
2.2 Other									
3. Incurred but unreported (less reinsurance ceded)									
4. Total									
5. Less amounts recoverable on unpaid losses for reinsurance ceded (Schedule S)									
6. Net Liability (Column 1 to Item 4.1, Page 3)									

*Including matured endowments unpaid amounting to $ ..... **Including matured endowments unpaid amounting to $

†Include only portion of liability applicable to assumed "accrued" payments. Reserve for unaccrued payments, $ ..... appears in Item 1, Page 3. (See Exhibit 8, Section F.)

PART 2—Incurred During the Year

	Total (1)	Industrial Life (Including Total and Permanent Disability and Accidental Death Benefits) (2)*	Ordinary: Life Insurance (3)**	Ordinary: Total and Permanent Disability (4)	Ordinary: Additional Accidental Death (5)	Ordinary: Individual Annuities (6)*	Ordinary: Supplementary Contracts (7)	Group: Life Insurance (8)	Group: Annuities (9)
1. Settlements during the year	4,061.20					4,061.20			
2. Deduct reinsurance ceded	0	N	N	N	N	0	N	N	N
3. Net settlements. (Line 1 minus Line 2)	† 4,061.20	0	0	0	0	4,061.20	0	0	0
4. Net liability December 31, current year from Part 1	0	N	N	N	N	0	N	N	N
5. Amounts recoverable on paid losses for reinsurance ceded December 31, previous year	0	E	E	E	E	0	E	E	E
6. Line 3 plus Line 4 plus Line 5	4,061.20					4,061.20			
7. Net liability December 31, previous year	0					0			
8. Amounts recoverable on paid losses for reinsurance ceded December 31, current year (Schedule S)	0					0			
9. Line 7 plus Line 8	0					0			
10. Net Incurred Claims (Line 6 minus Line 9)	4,061.20					4,061.20			

*Including matured endowments amounting to $ 0 in Line 1 and $ 0 in Line 10. **Including matured endowments amounting to $ 0 in Line 1 and $ 0 in Line 10.

†Equals sum of Lines 16.1, 17 and 22, Exhibit 12. Includes $ 0 premiums waived under total and permanent disability benefits

OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

EXHIBIT 12—RECONCILIATION OF LEDGER ASSETS

			DOLLARS	CENTS
INCREASES IN LEDGER ASSETS				
1.	Premiums on life policies and annuity considerations (see Exhibit 1, Part 1)		95,155	00
2.	Accident and health cash premiums, including $ policy, membership and other fees		0	
3.	Consideration for supplementary contracts with life contingencies		0	
4.	Consideration for supplementary contracts without life contingencies including $ disability		0	
5.	Dividends left with the Company to accumulate at interest		0	
6.	Interest, dividends and real estate income (Exhibit 3, Column 1)		7,582	21
7.	Increase of paid-up capital during the year		0	
8.	From other sources (give items and amounts):			
	8.1			
	8.2			
	8.3			
9.	Borrowed money gross $, less amount repaid $		0	
10.				
11.				
12.				
13.	From sale or maturity of ledger assets (Exhibit 4, Column 2)		0	
14.	By adjustment in book value of ledger assets (Exhibit 4, Column 1)		0	
15.	TOTAL INCREASES IN LEDGER ASSETS		102,737	21
DECREASES IN LEDGER ASSETS				
16.	Policy and contract claims:			
	16.1 Life (see Exhibit 11, Part 2)	0		
	16.2 Accident and health	0		
17.	For annuities with life contingencies, excluding payments on supplementary contracts (including cash refund payments)	4,061.20		
18.	Premium notes and liens voided by lapse, less $ restorations	0		
19.	Surrender values	0		
19A.	Group conversions	0		
19B.	Interest on policy or contract funds	0		
20.	Dividends to policyholders:			
	20.1 Life insurance and annuities (Exhibit 7)	0		
	20.2 Accident and health (Exhibit 7)	0		
21.	TOTAL PAID POLICYHOLDERS		4,061	20
22.	Paid for claims on supplementary contracts:			
	22.1 With life contingencies		0	
	22.2 Without life contingencies		0	
22A.	Amounts transferred from separate accounts	0	0	
22B.	Payments of withdrawal benefits		0	
23.	Dividends and interest thereon held on deposit disbursed during the year		0	
24.				
25.				
26.	Commissions to agents (less commissions on reinsurance):			
	26.1 Life insurance and annuities (including $ commuted commissions)			
	26.2 Accident and health (including $ commuted commissions)			
	26.3 Policy, membership and other fees retained by agents		0	
27.	General expenses (Exhibit 5, Line 10)		25,078	53
28.1	Taxes, licenses and fees, excluding federal income taxes (Exhibit 6, Line 7)		0	
28.2	Federal income taxes (including $ on capital gains)		0	
29.	Decrease of paid-up capital during the year		0	
30.	Paid stockholders for dividends (cash $, stock $)		0	
31.	Borrowed money repaid gross $ less amount borrowed $		0	
32.	Interest on borrowed money		0	
33.				
34.				
35.				
36.	From sale or maturity of ledger assets (Exhibit 4, Column 4)		0	
37.	By adjustment in book value of ledger assets (Exhibit 4, Column 3 and Exhibit 2, Line 4)		0	
38.	TOTAL DECREASES IN LEDGER ASSETS		29,139	73
RECONCILIATION BETWEEN YEARS				
39.	Amount of ledger assets December 31st of previous year		201,300	84
40.	Increase (+) or decrease (—) in ledger assets during the year (Line 15 minus Line 38)		73,597	48
41.	TOTAL — LEDGER ASSETS DECEMBER 31st OF CURRENT YEAR		274,898	32

ANNUAL STATEMENT FOR THE YEAR 1963
OF THE SEPARATE ACCOUNT BUSINESS

OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

EXHIBIT 13—ASSETS

	Ledger Assets (1)	Non-Ledger Assets (2)	Assets Not Admitted (3)	Net Admitted Assets (4)
1. Bonds	88,426.03		1,231.88	87,194.15
2. Stocks	186,425.93	10,039.49		196,465.42
3. Mortgage loans on real estate:				
3.1 First liens	0			0
3.2 Other than first liens	0			0
4. Real estate (less $ encumbrances):				
4.1 Properties occupied by the company	0			0
4.2 Properties acquired in satisfaction of debt	0			0
4.3 Investment real estate	0			0
5. Policy loans	0			0
6. Premium notes (including $ for first year premiums)	0			0
7. Collateral loans	0			0
8. Cash and bank deposits:				
8.1 Cash in company's office	0			0
8.2 Deposits in banks and trust companies (Schedule E)	0			0
9. Separate account clearing	46.36			46.36
10.				
11. Amounts recoverable from reinsurers	0			0
12. Other assets (give items and amounts):				
12.1 Agents' balances (debit $ credit $)	0			0
12.2 Bills receivable	0			-0-
12.3 Furniture and equipment	0			-0-
12.4 Cash advanced to or in hands of officers or agents	0			0
12.5 Loans on personal security, endorsed or not	0			-0-
12.6				
13. ...				
14.				
15. ...				
16.				
17. Life insurance premiums and annuity considerations deferred and uncollected on in force Dec. 31st of current year (less premiums on reinsurance ceded):				
17.1 Industrial uncollected (excluding $ loading)				
17.2 Ordinary deferred and uncollected—New business (excluding $ loading)				
17.3 Ordinary deferred and uncollected—Renewal (excluding $ loading)				
17.4 Group life deferred and uncollected (excluding $ loading)				
17.5 Group annuity uncollected (excluding $ loading)				
17.6 Total (to Col. 2)	0			0
18. Accident and health premiums due and unpaid	0			0
19. Interest and real estate income due and accrued:				
19.1 Interest due and accrued	0	1,119.62		1,119.62
19.2 Real estate income due and accrued	0	0		0
19.3 Dividends declared	0	1,464.78		1,464.78
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0		0
21.				
22.				
23.				
24.				
25.				
26. Totals	274,898.32	12,623.89	1,231.88	286,290.33

EXHIBIT 14—ANALYSIS OF NON-ADMITTED ASSETS AND RELATED ITEMS
(Excluding Investment Adjustments Not Listed)

	End of Previous Year (1)	End of Current Year (2)	Changes for Year Increase (—) or Decrease (+) (3)
27. Company's stock owned			X X X X X
28. Loans on company's stock			
29. Supplies, stationery, printed matter			
30. Furniture and equipment			X X X X X
31. Commuted commissions			
32. Agents' balances (net)			
33. Cash advanced to or in the hands of officers or agents	NONE		
34. Loans on personal security endorsed or not			
35. Bills receivable			
36. Premium notes, etc., in excess of net value and other policy liabilities on individual policies			X X X X X
37. Accident and health premiums due and unpaid, effective prior to October 1			
38. Other assets not admitted (itemize):			
38.1			
38.2			
38.3			
39. Agents' credit balances (Page 3, Item 19 inside)			
40. Total Change (Col. 3)*	X X X X X	X X X X X	

*(Carry to Item 10, Page 4 if (+), or to Item 47, Page 4 if (—))

Form 1-S ANNUAL STATEMENT FOR THE YEAR 1963 OF THE SEPARATE ACCOUNT BUSINESS OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

ORDINARY BUSINESS

EXHIBITS OF INSURANCE POLICIES—PAID-FOR BUSINESS ONLY

The following is a correct statement of the **ORDINARY** business of the year on policy account as it stood at close of business December 31. Additional accidental Death Benefits provided in life policies must **NOT** be included in this exhibit.

CLASSIFICATION	1. Whole Life and Endowment Policies (Excluding Group)		2. Term and Other Policies (Excluding Group), including Return Premium Additions		3. Group Policies			4. Additions to Policies by Dividends	5. Total Numbers and Amounts	
	No.	Amount	No.	Amount	Number of Policies	Number of Certificates	Amount	Amount	No. of Policies	Amount
1. At end of previous year										
2. *Issued during year										
2A. †Reinsurance assumed										
3. Revived during year										
4. **Increased during year										
4A. Totals, lines 2 to 4, inclusive										
5. Totals before transfers										
TRANSFERS:										
6. Deductions										
7. Additions										
8. Balance of transfers										
9. Totals after transfers										
DEDUCT CEASED BY:										
10. Death										
11. Maturity										
12. Disability										
13. Expiry										
14. Surrender										
15. Lapse										
16. Decrease										
17. **Withdrawal										
17A. ‡Reinsurance ceded										
18. Total terminated										
19. (a) Outstanding end of year										
20. Reinsurance ceded end of year										

NONE

INDUSTRIAL BUSINESS

The following is a correct statement of the **INDUSTRIAL** business of the year on policy account as it stood at close of business December 31.

CLASSIFICATION	1. Whole Life and Endowment Policies		2. Term and Other Policies, including Return Premium Additions		3. Additions to Policies by Dividends	4. Total Numbers and Amounts	
	No.	Amount	No.	Amount	Amount	No.	Amount
21. At end of previous year							
22. *Issued during year							
22A. †Reinsurance assumed							
23. Revived during year							
24. Increased during year							
24A. Totals, lines 22 to 24, inclusive							
25. Totals before transfers							
26. Transfers, deductions							
27. Transfers, additions							
28. Balance of Transfers							
29. Totals after transfers							
DEDUCT CEASED BY:							
30. Death							
31. Maturity							
32. Disability							
33. Expiry							
34. Surrender							
35. Lapse							
36. Decrease							
36A. ‡Reinsurance ceded							
37. Total terminated							
38. (a) Outstanding end of year							
39. Reinsurance ceded end of year							

NONE

NOTE.—Instalment policies and others involving supplementary contracts should be entered and deducted in above Exhibit of Policies for the commuted value of instalments only.

State the amount of (A) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders, (B) additional insurance under non-decreasing term riders and (C) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above, as follows:

Line 2, Column 1 (A)..... (B)..... (C)..... Column 2 (A)..... Line 19, Column 1 (A)..... (B)..... (C)..... Column 2 (A).....

State basis of calculation under (A).....

*In this line should be included bona fide direct new business only. In case of Group policies, the initial coverage should be entered in this line. Paid-up and extended term insurance issued in lieu of other in-surance should be treated as a policy change. Has this been done? ANSWER: .....

(a) Paid-up insurance included in the final totals of items 19 and 38 (including additions to policies). No. of ORDINARY policies....., amount, $..... ; No. of INDUSTRIAL policies....., amount, $.....

Additional accidental Death Benefits included in life policies were in amount, $..... ; Debit Ordinary Business included in Column 3, Line 19: No. of policies....., amount $.....

†In this line should be reported all reinsurance assumed. Where the assumption of a block of business is involved, include such transaction herein, attaching exhibit indicating figures included in each line and column.

‡This is to include cession by reinsurance of the entire business of a company or of its business in a state or section of the country, but is not to include reinsurance ceded on individual risks.

**In case of Group policies, enter net of increases and withdrawals as positive figure in either item 4 or item 17.

§Includes $..... issued which was ceded as reinsurance during the year.

§§Includes..... certificates under..... policies for Group Insurance Plans, other than the Federal Employees Group Life Insurance Policy, where part of the insurance on each life is provided by policies of other insurance companies. After multiplying the number of certificates under each such policy by the respective proportions of the insurance provided by this company, the number of certificates under such policies changes from..... to..... and the total number of certificates outstanding changes from..... to.....

Form 1-S ANNUAL STATEMENT FOR THE YEAR 1963 OF THE SEPARATE ACCOUNT BUSINESS OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

EXHIBITS OF ANNUITIES (PAID-FOR BASIS) AND SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES

CLASSIFICATION	1. Individual Annuities*		2. Group Annuities			3. Supplementary Contracts		
	No.	Annual Income**	Contracts	Certificates	Annual Income	No.	Annual Income	
1. Outstanding at end of previous year	129	128,093						
2. Issued during year	29	20,925						
3. Transferred from Insurance account during year								
4. Total	158	149,018	NONE			NONE		
5. Other net changes during year	2	5,110						
6. Outstanding at end of current year	156	143,908						

CLASSIFICATION OF ANNUITIES AND SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES OUTSTANDING AT THE END OF THE YEAR

CLASSIFICATION	1. Individual Annuities*		2. Group Annuities			3. Supplementary Contracts		Total	
	No.	Annual Income	Contracts	Certificates	Annual Income	No.	Annual Income	No.	Annual Income
7. Income now payable	0	0						0	0
8. Deferred; fully paid	7	190	NONE			NONE		7	190
9. Deferred; not fully paid	149	143,718						149	143,718
10. Total	156	143,908						156	143,908

*Individual Annuities. Include here all survivorship annuities and deferred annuities, including contracts providing for deferred annuities purchased by accumulations during deferred period and which provide for a death benefit during the period of deferment substantially equal to the value of the non-forfeiture benefit available on lapse.

**Guaranteed minimum benefit - may be increased by investment results

SPECIAL DEPOSIT SCHEDULE

Showing all deposits or investments **NOT** *held for the protection of* **ALL** *the policyholders of the company*

NONE

SCHEDULE OF ALL OTHER DEPOSITS

Showing all deposits made with any government, province, state, district, county, municipality, corporation, firm or individual, except the regular deposits in banks and trust companies subject to check, and those shown in "Special Deposit Schedule" above

NONE

SCHEDULE A—Part 1

Showing all Real Estate **OWNED** *December 31 of Current Year, the Cost, Book and Market Value thereof, the Nature and Amount of all Liens and Encumbrances thereon, Including Interest Due and Accrued, etc.*

NONE

SCHEDULE A—Part 2

Showing all Real Estate **SOLD** *during the Year, including Payments during the Year on "Sales under Contract"*

NONE

SCHEDULE B—Part 1—Section 1

Summary of Mortgage Loans (including foreclosed liens subject to redemption) owned at December 31 of Current Year and changes therein during the year

NONE

SCHEDULE B—Part 1—Section 2

Summary of Mortgage Loans (including foreclosed liens subject to redemption) owned at December 31st of Current Year in each State and Foreign Country

NONE

SCHEDULE B—Part 2—Section 1

Mortgages owned at December 31 of Current Year upon which interest is not overdue more than three months, which are not in process of foreclosure or in course of voluntary conveyance to the company Show individually those which exceed $250,000 or ½% of admitted assets December 31 preceding year, whichever is smaller, and others upon which taxes, assessments or other liens are delinquent more than one year, classified by States in each sub-section. All others may be summarized.

NONE

SCHEDULE B—Part 2—Section 2

Mortgages owned at December 31 of Current Year upon which interest is overdue more than three months, which are not in process of foreclosure or in course of voluntary conveyance to the Company.

NONE

SCHEDULE B—Part 2—Section 3

All Mortgages owned at December 31 of Current Year in process of foreclosure (including those in which transfer of legal title is awaiting expiration of redemption or moratorium period) and including those where properties are in course of voluntary conveyance to the Company. Classify by States and list all items.

NONE

SCHEDULE B—Part 3

Mortgages foreclosed, properties transferred to real estate during the year, including properties acquired by voluntary conveyance to the Company. Classify by States and list all items.

NONE

SCHEDULE C—Part 1

Showing all Collateral Loans **IN FORCE** *December 31 of Current Year, and all Substitutions of Collateral Thereon During Said Year*

NONE

SCHEDULE C—Part 2

Showing all Collateral Loans **MADE** *During the year and all Substitutions of Collateral Thereon During Said Year*

NONE

SCHEDULE C—Part 3

Showing all Collateral Loans **DISCHARGED** *in Whole or in Part During the year and all Substitutions of Collateral Thereon During Said Year*

NONE

ANNUAL STATEMENT FOR THE YEAR 1963 OF THE SEPARATE ACCOUNT BUSINESS OF THE UNITED BENEFIT LIFE INSURANCE COMPANY

Write or Stamp Name

SCHEDULE D — SUMMARY

Bonds and Stocks OWNED *December 31 of Current Year*

(1) Description		(2) Book Value Dollars	Cts.	(3) Market Value (Excluding accrued interest) Dollars	Cts.	(4) Actual Cost (Excluding accrued interest) Dollars	Cts.	(5) Par Value of Bonds Dollars	Cts.	(6) *Amortized or Investment Value Dollars	Cts.	This column to be left blank
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	28,113.53		27,756.65		28,113.53		28,000.00				
	2. Canada											
	3. Other Countries											
	4. Total	28,113.53		27,756.65		28,113.53		28,000.00				
States, Territories and Possessions (Direct and guaranteed)	5. United States											
	6. Canada											
	7. Other Countries											
	8. Total											
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States											
	10. Canada											
	11. Other Countries											
	12. Total											
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States											
	14. Canada											
	15. Other Countries											
	16. Total											
Railroads	17. United States											
	18. Canada											
	19. Other Countries											
	20. Total											
Public Utilities	21. United States	20,475.00		20,162.50		20,475.00		20,000.00				
	22. Canada											
	23. Other Countries											
	24. Total	20,475.00		20,162.50		20,475.00		20,000.00				
Industrial and Miscellaneous	25. United States	39,837.50		39,275.00		39,837.50		40,000.00				
	26. Canada											
	27. Other Countries											
	28. Total	39,837.50		39,275.00		39,837.50		40,000.00				
	29. Total Bonds	88,426.03		87,194.15		88,426.03		88,000.00				
STOCKS Railroad	30. United States											
	31. Canada											
	32. Other Countries											
	33. Total											
Public Utilities	34. United States	24,355.20		25,034.61		24,355.20						
	35. Canada											
	36. Other Countries											
	37. Total	24,355.20		25,034.61		24,355.20						
Banks, Trust and Insurance Companies	38. United States	7,915.57		7,885.59		7,915.57						
	39. Canada											
	40. Other Countries											
	41. Total	7,915.57		7,885.59		7,915.57						
Savings and Loan or Building and Loan Associations	42. United States											
	43. Canada											
	44. Other Countries											
	45. Total											
Industrial and Miscellaneous	46. United States	154,155.16		163,545.22		154,155.16						
	47. Canada											
	48. Other Countries											
	49. Total	154,155.16		163,545.22		154,155.16						
	50. Total Stocks	186,425.93		196,465.42		186,425.93						
	51. Total Bonds and Stocks	274,851.96		283,659.57		274,851.96						

*Companies, societies, and associations which do not amortize their bonds should leave this column blank.

SCHEDULE D — Verification Between Years

1.	Book value of bonds and stocks, per Items 1 and 2, Col. (1), Exhibit 13, previous year		$ 200,952.05
2.	Cost of bonds and stocks acquired, Col. (5), Part 3		83,901.90
3.	Increase by adjustment in book value:		
	(a) Col. (10), Part 1	$ 0	
	(b) Col. (9), Part 2	0	
	(c) Col. (9), Part 4	0	0
4.	Profit on sale of bonds and stocks, Col. (11), Part 4		0
5.	Total		284,853.95
6.	Deduct consideration for bonds and stocks sold, Col. (5), Part 4	$ 10,001.99	
7.	Decrease by adjustment in book value:		
	(a) Col. (11), Part 1	$ 0	
	(b) Col. (10), Part 2	0	
	(c) Col. (10), Part 4	0	0
8.	Loss on sale of bonds and stocks, Col. (12), Part 4	0	10,001.99
9.	Book value of bonds and stocks, per Items 1 and 2, Col. (1), Exhibit 13, current year		$ 274,851.96

Form 1

Bonds to be grouped in the following manner and each group arranged alphabetically (The listing in Groups 2, 3 and 4 should be alphabetical BY STATE.)
1 Governments (including all obligations guaranteed by governments)
2 States, Territories and Possessions (direct and guaranteed)
3 Political Subdivisions of States, Territories and Possessions (direct and guaranteed)
4 Special revenue and special assessment obligations and all non guaranteed obligations of agencies and authorities of governments and their political subdivisions
5 Railroads
6 Public Utilities
7 Industrial and Miscellaneous

Show sub-totals for each group.

ANNUAL STATEMENT FOR THE YEAR 1963 OF THE SEPARATE ACCOUNT BUSINESS OF THE UNITED BENEFIT LIFE INSURANCE COMPANY

Write or Stamp Name

SCHEDULE D — Part 1

Showing all BONDS *Owned December 31 of Current Year*

Supplemental columns for data concerning Amortization. SEE NOTE

(1) **DESCRIPTION Give complete and accurate description of all bonds owned, including the location of all street railway and miscellaneous companies. If bonds are serial issues give amount maturing each year	(2) INTEREST Rate of	(2) INTEREST *How Paid	(3) DATE OF Maturity Year	(3) DATE OF Maturity Month	(3) DATE OF ††Option Year	(3) DATE OF ††Option Call Price	(4) Book Value	(5) Par Value	(6) Rate Used to Obtain Market Value	(7) §§Market Value (excluding accrued interest)	(8) Actual Cost (excluding accrued interest)	(9) INTEREST Amount Due and Accrued Dec. 31 of Current Year on bonds not in default	(9) INTEREST Gross Amt Received During Year	(10) Increase by Adjustment in Book Value During Year	(11) Decrease by Adjustment in Book Value During Year	(12) Amount of Interest due and Accrued Dec. 31, Current Year, on bonds in default as to Principal or Interest	(13) §Are These Bonds Amortizable?	(14) Year Acquired	(15) Effective Rate of Interest at Which Purchase Was Made	(16) †Amortized or Investment Value Dec. 31 of Current Year	(17) ‡Increase in Amortized Value During Year	(18) ‡Decrease in Amortized Value During Year
GOVERNMENT, U. S. A.																						
U. S. Treasury Bills			1964	1			4,956.65	5,000.00	99.133	4,956.65*	4,956.65	29.08										
U. S. Treasury	4	F-A	1972	2			4,984.38	5,000.00	99	4,950.00*	4,984.38	75.00					1963					
U. S. Treasury	4	F-A	1980	2			4,962.50	5,000.00	98	4,900.00*	4,962.50	75.00	200.00				1963					
U. S. Treasury	4	F-A	1980	2			5,000.00	5,000.00	98	4,900.00*	5,000.00	75.00	100.00				1962					
U. S. Treasury	4 1/4	F-A	1992	2			8,210.00	8,000.00	100.625	8,050.00*	8,210.00	127.50	340.00				1963					
							28,113.53	28,000.00		27,756.65	28,113.53	381.56	640.00				1962					
PUBLIC UTILITIES, U. S. A.																						
Cleveland Electric Illuminating Company, First Mortgage	4 3/8	A-O	1994	4			5,031.25	5,000.00	98.50	4,925.00*	5,031.25	54.69	218.75									
Consolidated Edison Company of New York, Inc. First and Refunding Mortgage, Series U	4 5/8	M-N	1991	11			5,181.25	5,000.00	101.25	5,062.50*	5,181.25	38.54	231.25				1962					
Houston Lighting & Power Company, First Mortgage	4 3/4	M-N	1987	11			5,262.50	5,000.00	103.75	5,187.50*	5,262.50	39.58	237.50				1962					
Pacific Telephone and Telegraph Company, Debentures	4 3/8	F-A	1988	8			5,000.00	5,000.00	99.75	4,987.50*	5,000.00	82.64	218.75				1962					
							20,475.00	20,000.00		20,162.50	20,475.00	215.45	906.25									
INDUSTRIAL AND MISCELLANEOUS, U. S. A.																						
Aluminum Company of America, Debentures	4 1/4	J-J	1982	1			4,981.25	5,000.00	99.25	4,962.50*	4,981.25	106.25	212.50									
Caterpillar Tractor Co., Debentures	4 5/8	J-D	1986	6			5,225.00	5,000.00	102.25	5,112.50*	5,225.00	10.27	231.25				1962					
C.I.T. Financial Corporation, Debentures	4 5/8	J-J	1979	1			5,150.00	5,000.00	99.50	4,975.00*	5,150.00	115.63	231.25				1962					
General Motors Acceptance Corporation, Debentures	4 1/2	M-N	1985	11			4,975.00	5,000.00	99.50	4,975.00*	4,975.00	37.50					1962					
Procter & Gamble Company, Debentures	3 7/8	M-S	1981	3			4,775.00	5,000.00	94.25	4,712.50*	4,775.00	64.58	193.75				1963					
Standard Oil Company of California, Debentures	4 3/8	J-J	1983	7			5,062.50	5,000.00	99.75	4,987.50*	5,062.50	109.38	218.75				1962					
Texas Company (now Texaco Inc.), Debentures	3 5/8	M-N	1983	5			4,568.75	5,000.00	90.25	4,512.50*	4,568.75	30.21	181.25				1962					
United States Steel Corporation, Debentures	4 1/2	A-O	1986	4			5,100.00	5,000.00	100.75	5,037.50*	5,100.00	47.50	225.00				1962					
							39,837.50	40,000.00		39,275.00	39,837.50	521.32	1,493.75									
TOTALS							88,426.03	88,000.00		87,194.15	88,426.03	1,118.33	3,040.00									

* All market values are December 31, 1963 quotations less sales commissions

§§Where amortized value or any value other than the market value published in the Book of Valuations of Securities is entered in Column 7, insert a symbol alongside of the amount reported

*Insert Initial Letters of months in which interest is payable.

**Where a bond is payable in a foreign currency the par value and purchase price in that currency should be included as a part of the description

††Perpetual bonds, bonds in default as to principal or interest and bonds not amply secured, are to be entered in this column at market value. All companies must report amortized values whether or not this basis of valuation is used on page 2

‡Companies which use "Amortized Values" as "Book Values" may omit entering figures in these columns and provide the following footnote: "The increases and decreases in amortized values are the same as those shown in columns for 'Increase and Decrease by Adjustment in Book Value,' excepting as otherwise indicated."

§Answer "Yes," "No" or "Ne" per notation in book "Valuation of Securities," published by National Association of Insurance Commissioners

NOTE This supplemental information required of all Companies which amortize their bonds, is NOT to be used as a substitute for the information required in preceding columns but in addition thereto

††Show year and call price pertaining to option, if any, on which amortization is based. On bonds purchased at a premium, the call feature producing lowest amortized value should be used

Form 1

Stocks to be grouped in the following order and each group arranged alphabetically:-
Railroad (a) preferred (b) common
Public Utilities (a) preferred (b) common
Banks, Trust and Insurance Companies (a) preferred (b) common
Savings and Loan or Building and Loan Associations
Industrial and Miscellaneous (a) preferred (b) common *Show sub-totals for each group and classification*

ANNUAL STATEMENT FOR THE YEAR 1963 OF THE SEPARATE ACCOUNT B OF [illegible]

SCHEDULE D—Part 2

Name or Stamp Name

Showing all STOCKS *Owned December 31 of Current Year*

(1) DESCRIPTION — Give complete and accurate description of all stocks owned, and location of all street railway, bank, trust and miscellaneous companies.	(2) No. of Shares	(3) Par Value Per Share	(4) Book Value	(5) Rate Per Share Used to Obtain Market Value	(6) Market Value	(7) Actual Cost	(8) Dividends: Rate Declared in Each of Last Three Years 1961	1962	1963	Dividends: Amount Received During Year	(9) Increase, by Adjustment, in Book Value During Year	(10) Decrease, by Adjustment, in Book Value During Year	(11) Year Acquired
PUBLIC UTILITIES, COMMON													
American Telephone and Telegraph Company	50	33 1/3	6,656.11	139	6,906.05*	6,656.11	3.45	3.60	3.60	180.00			
Commonwealth Edison Company	77	12.50	3,424.32	49.625	3,785.02*	3,424.32	1.00	1.10	1.25	87.50			1962
Florida Power & Light Company	40		2,996.83	72.75	2,678.45*	2,996.83	1.06	1.18	1.26	38.40			1962-63
Southern California Edison Company	100	8 1/3	3,096.81	32	3,165.00*	3,096.81	.866	.936	1.005	100.50			1963
Texas Utilities Company	90		4,910.44	56.50	5,042.91*	4,910.44	1.02	1.10	1.18	71.00			1962
Virginia Electric and Power Company	75		3,270.69	43.875	3,257.18*	3,270.69	.866	.933	1.013	76.00			1962-63
	432		24,355.20		25,034.61	24,355.20				553.40			1962-63
BANKS, TRUST AND INSURANCE COMPANIES, COMMON													
Morgan Guaranty Trust Company, New York	27	25	2,921.25	110.625	2,954.95*	2,921.25	4.00	4.00	4.00	106.00			1962-63
Security First National Bank, Los Angeles	60	12.50	4,994.32	82.875	4,930.64*	4,994.32	1.60	1.60	1.60	24.00			1963
	87		7,915.57		7,885.59	7,915.57				130.00			
INDUSTRIAL AND MISCELLANEOUS, COMMON													
Ameraja Petroleum Corporation	60		4,328.45	69.375	4,124.69*	4,328.49	1.35	1.50	1.85				
American Can Company	150	12.50	6,918.38	43.625	6,463.75*	6,918.38	2.00	2.00	2.00	270.00			1963
Armstrong Cork Company	50	1	3,584.75	109.75	5,445.01*	3,584.75	1.70	1.90	2.10	105.00			1962-63
Bristol-Myers Company	90	1	4,220.44	58.375	5,211.50*	4,220.44	.60	.75	.90	81.00			1962
Caterpillar Tractor Co.	105		4,390.29	48	4,989.75*	4,390.29	1.00	1.00	1.15	46.00			1962-63
Chesebrough-Pond's Inc.	100	2	5,936.77	56	5,555.40*	5,936.77	.92	1.05	1.25	34.75			1963
Dow Chemical Company	61	5	4,013.76	66.75	4,155.78*	4,013.76	1.45	1.60	1.60	98.80			1963
E. I. du Pont de Nemours & Company	25	5	6,318.75	239.50	5,950.00*	6,318.75	7.50	7.50	7.75	193.75			1962-63
Eastman Kodak Company	50	10	5,766.49	115.50	5,732.22*	5,766.49	2.25	2.30	2.55	127.50			1962
General Electric Company	50	5	3,949.06	86.875	4,305.03*	3,949.06	2.00	2.00	2.00	100.00			1962
General Foods Corporation	65		5,313.72	89.625	5,782.80*	5,313.72	1.55	1.75	1.95	117.75			1962
General Motors Corporation	148	1 2/3	7,674.37	78.625	11,541.83*	7,674.37	2.50	3.00	4.00	644.50			1962-63
B. F. Goodrich Company	95	10	4,205.29	51.50	4,891.04*	4,205.29	2.20	2.20	2.20	209.00			1962
Goodyear Tire & Rubber Company	100		4,302.81	41.375	4,097.81*	4,302.81	.90	.95	1.00	100.00			1962
Gulf Oil Corporation	100	8.33 1/3	4,441.00	47	4,687.50*	4,441.00	1.10	1.45	1.60	160.00			1962
International Business Machines Corporation	30	5	15,101.25	506.75	15,157.50*	15,101.25	2.30	3.00	4.25	102.50			1962-63
International Paper Company	144	2.50	5,746.92	39.125	5,199.36*	5,746.92	1.05	1.05	1.05	107.63			1962-63
Johns-Manville Corporation	75	5	3,696.25	48.50	3,602.31*	3,696.25	2.00	2.00	2.00	25.00			1963
R. H. Macy & Co., Inc.	45	1	2,942.16	74.75	3,329.93*	2,942.16	2.00	2.20	2.20	22.00			1963
Merck & Co., Inc.	25	.16 2/3	2,365.88	109.25	2,730.59*	2,365.68	1.60	1.80	2.00	50.00			1962
Minneapolis-Honeywell Regulator Company	20	1.50	2,670.00	148	2,930.00*	2,670.00	2.00	2.00	2.00	40.00			1962
Minnesota Mining and Manufacturing Company	90		5,825.31	64.375	5,750.96*	5,825.31	.65	.80	.90	58.50			1962-63
National Cash Register Company	21	5	2,545.18	78.25	1,621.82*	2,545.18	1.20	1.20	1.20	25.20			1962
North American Aviation, Inc.	85	1	4,296.20	47.75	4,021.46*	4,296.20	2.00	2.00	2.00				1963
J. C. Penney Company	100	1	4,114.38	47	4,697.50*	4,114.38	1.50	1.50	1.50	150.00			1962
Phillips Petroleum Company	45	5	1,999.12	48.625	2,161.25*	1,999.12	1.70	1.85	1.975	88.88			1962
R. J. Reynolds Tobacco Company	80	5	5,079.33	42	3,326.20*	5,079.33	1.40	1.60	1.65	120.00			1962-63
Sears, Roebuck and Co.	50	3	4,099.81	97.625	4,839.84*	4,099.81	1.40	1.65	1.65	82.50			1962
Square D Company	50	5	2,384.81	49.75	2,458.06*	2,384.81	1.12	1.50	.90	15.00			1963
Standard Brands Incorporated	60		3,992.95	71.75	4,266.47*	3,992.95	1.70	1.85	2.05	123.00			1962
Standard Oil Company (Indiana)	60		3,386.26	63.625	3,781.41*	3,386.26	1.40	1.80	1.90	151.20			1962
Standard Oil Company (New Jersey)	80	7	4,429.57	75.75	6,016.94*	4,429.57	2.30	2.50	2.75	220.00			1962
Union Carbide Corporation	20		1,954.30	120.25	2,375.97*	1,954.30	3.60	3.60	3.60	72.00			1962
United States Gypsum Company	30	4	2,141.15	83.75	2,482.94*	2,141.15	3.00	3.00	3.10	93.00			1962
*All market values are December 31, 1963 quotations less sales commissions.	2,379		154,155.16		163,545.22	154,155.16				3,834.46			
TOTALS	2,698		186,425.93		196,465.42	186,425.93				4,517.86			

*Where any value other than the market value for preferred stocks as published in the Book of Valuations of Securities is entered in column 6, insert a symbol alongside of the amount reported.

Form 1

SCHEDULE D—Part 3

Bonds, preferred stocks and common stocks to be grouped separately showing sub-totals for each group.

Showing all Bonds and Stocks ACQUIRED *During the Current Year*

(1) DESCRIPTION Give complete and accurate description of each bond and stock, including location of all street railway, bank, trust and miscellaneous companies. If bonds are serial issues give amounts maturing each year.	(2) *Date Acquired	(3) *Name of Vendor	(4) No. of Shares of Stock	(5) Cost to Company (excluding accrued interest on bonds)	(6) Par Value of Bonds	(7) Paid For Accrued Interest and Dividends
BONDS						
U. S. Treasury Bills due 10-17-1963	Various	Salomon Bros. & Hutzler		9,921.24	10,000.00	
U. S. Treasury Bills due 1-30-1964	10-31	Salomon Bros. & Hutzler		4,956.65	5,000.00	
U. S. Treasury, 4% due 2-15-1972	9-27	Salomon Bros. & Hutzler		4,984.38	5,000.00	25.00
U. S. Treasury, 4% due 2-15-1980	3-28	First Boston Corporation		5,000.00	5,000.00	18.78
General Motors Acceptance Corporation, Debentures, 4-1/2% due 11-1-1985	11-15	Dean Witter & Co.		4,975.00	5,000.00	10.63
				29,837.27	30,000.00	54.41
COMMON STOCKS						
Commonwealth Edison Company	Various	The Company (Stock Dividend)	2			
Florida Power & Light Company	5-13	Harris, Upham & Co.	40	2,996.83		
Texas Utilities Company	6-28	Salomon Bros. & Hutzler	40	2,110.85		
Virginia Electric and Power Company	6-7	The Company (Stock Split)	25			
Morgan Guaranty Trust Company of New York	3-29	The Company (Stock Dividend)	2			
Security First National Bank, Los Angeles	Various	Various	60	4,994.32		
Amerada Petroleum Corporation	12-5	A. G. Becker & Co.	60	4,328.45		
American Can Company	6-4	Harris, Upham & Co.	30	1,402.59		
Bristol-Myers Company	10-31	The Company (Stock Split)	45			
Caterpillar Tractor Co.	Various	Harris, Upham & Co.	105	4,390.29		
Chesebrough-Pond's Inc.	Various	Various	100	5,936.77		
Dow Chemical Company	6-7	The Company (Stock Dividend)	1			
General Foods Corporation	3-1	H. C. Wainwright & Co.	20	1,638.68		
International Business Machines Corporation	Various	Various	15	6,825.00		
International Paper Company	12-30	Clark, Dodge & Co.	60	1,921.48		
International Paper Company	12-30	The Company (Stock Dividend)	2			
Johns-Manville Corporation	Various	Various	75	3,696.25		
R. H. Macy & Co., Inc.	Various	Various	45	2,942.16		
Minnesota Mining and Manufacturing Company	6-4	Harris, Upham & Co.	50	2,994.31		
North American Aviation, Inc.	Various	Various	85	4,296.20		
R. J. Reynolds Tobacco Company	3-1	H. C. Wainwright & Co.	30	1,205.64		
Square D Company	9-11	Thomson & McKinnon	50	2,384.81		
			942	54,044.63		
TOTALS				83,901.90	30,000.00	54.41

*The items with reference to each issue of bonds or stocks acquired at public offerings may be totaled in one line and the word "various" inserted in columns (2) and (3).

SCHEDULE D—Part 4

Bonds, preferred stocks and common stocks to be grouped separately showing sub-totals for each group.

Showing all Bonds and Stocks SOLD, REDEEMED *or Otherwise* DISPOSED OF *During the Current Year*

(1) DESCRIPTION Give complete and accurate description of each bond and stock, including location of all street railway, bank, trust and miscellaneous companies. If bonds are serial issues give amounts maturing each year. Companies may at their option summarize all bonds of the same issue called, matured or redeemed during the year and omit dates under column (2).	(2) Date Sold	(3) NAME OF PURCHASER (If matured or called under redemption option, so state and give price at which called.)	(4) No. of Shares of Stock	(5) Consideration (Excluding Accrued Interest on Bonds)	(6) Par Value of Bonds	(7) Cost to Company (excluding accrued interest on bonds)	(8) Book Value at Date of Sale	(9) Increase, by Adjustment, in Book Value During Year	(10) Decrease, by Adjustment, in Book Value During Year	(11) Profit on Sale	(12) Loss on Sale	(13) Interest on Bonds Received During Year (Including Accrued Interest on Bonds Sold)	(14) Dividends on S... Received Du... Year (Inclu... Accrued Divi... on Stocks Su...
BONDS													
U. S. Treasury Bills due 10-17-1963	10-18	Matured		9,921.24	10,000.00	9,921.24	9,921.24					76.76	
COMMON STOCKS													
Commonwealth Edison Company	12-9	The Company (Cash for fractional interest)		7.06		7.06	7.06						
Morgan Guaranty Trust Company of New York	3-29	The Company (Cash for fractional interest)		60.50		60.50	60.50						
Dow Chemical Company	6-7	The Company (Cash for fractional interest)		13.19		13.19	13.19						
				80.75		80.75	80.75						
		Totals		10,001.99	10,000.00	10,001.99	10,001.99					76.76	

SCHEDULE E

Showing all Banks and Trust Companies in which an account was maintained at any time during the year.

NONE

SCHEDULE F

Showing all claims for death losses and all other policy Claims resisted or compromised during the year, and all claims for death losses and all other policy claims resisted December 31 of current year

NONE

SCHEDULE H

Accident and Health Exhibit

NONE

SCHEDULE O—Part 1

Accident and Health Losses

NONE

SCHEDULE O—Part 2

Development of Incurred Losses
Non-Cancellable Accident and Health Insurance

NONE

SCHEDULE S — Part 1

Showing Names and Locations of Companies and Amounts Recoverable for all Reinsurance on Paid and Unpaid Losses

NONE

SCHEDULE S — Part 2

Showing Accident and Health Reinsurance Premiums Ceded as of December 31, Current Year

NONE

SCHEDULE S—Part 3

Showing Data on ALL Life Insurance and Related Benefits Reinsured

NONE

SCHEDULE X—UNLISTED ASSETS

NONE

Form 1-S

ANNUAL STATEMENT FOR THE YEAR 1963
OF THE SEPARATE ACCOUNT BUSINESS

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OF THE UNITED BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS FOR SEPARATE ACCOUNT BUSINESS

Allocated by States and Territories

STATES, ETC (1)	DIRECT BUSINESS ONLY: Life Insurance Premiums (2)	Annuity Considerations (3)	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees (4)
Alabama			
Alaska			
Arizona			
Arkansas			
California			
Colorado		1,825.00	
Connecticut			
Delaware			
Dist. Columbia			
Florida			
Georgia			
Hawaii		1,800.00	
Idaho			
Illinois			
Indiana			
Iowa			
Kansas			
Kentucky			
Louisiana			
Maine			
Maryland			
Massachusetts			
Michigan			
Minnesota			
Mississippi			
Missouri			
Montana		300.00	
Nebraska		91,230.00	
Nevada			
New Hampshire			
New Jersey			
New Mexico			
New York			
North Carolina			
North Dakota			
Ohio			
Oklahoma			
Oregon			
Pennsylvania			
Rhode Island			
South Carolina			
South Dakota			
Tennessee			
Texas			
TOTALS (forward)		95,155.00	

STATES, ETC. (1)	DIRECT BUSINESS ONLY: Life Insurance Premiums (2)	Annuity Considerations (3)	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees (4)
TOTALS (forward)		95,155.00	
Utah			
Vermont			
Virginia			
Washington			
West Virginia			
Wisconsin			
Wyoming			
Canada			
Cuba			
Puerto Rico			
Philippine Is.			
Mexico			
Other foreign			
†Dividends applied to purchase paid-up additions and annuities		0	
†Dividends applied to shorten endowment or premium-paying period		0	
Premium or annuity Considerations waived under disability or other contract provisions		0	
Total (Direct Business)		95,155.00	
Plus Reinsurance Assumed		0	
Total (All Business)		95,155.00	
Less Reinsurance Ceded		0	
*TOTAL (All Business) less Reinsurance ceded		95,155.00	

Explanation of basis of allocation by states, etc., of premiums and annuity considerations

Considerations allocated by state where effectuated.

†Dividends applied to pay renewal premiums and consideration for annuities must be included in columns (2) and (3) respectively and distributed by states.
*The sum of columns (2) and (3) should balance with Exhibit 1, Lines 6, 10 and 16, Col. 1, less Cols. 9 and 10.
Column (4) should balance with Exhibit 1, Lines 6, 10 and 16, Cols. 9 and 10, or with Schedule H, Line 7; indicate which

ANNUAL STATEMENT FOR THE YEAR 1963
OF THE SEPARATE ACCOUNT BUSINESS

OF THE PILGRIM BENEFIT LIFE INSURANCE COMPANY
(Write or stamp name of Company)

SEPARATE ACCOUNT BUSINESS IN THE STATE OF DURING THE YEAR

LIFE INSURANCE (Total)

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS (Per Schedule T)	ORDINARY	GROUP	INDUSTRIAL	TOTAL
1. Life Insurance				
2. Annuity considerations				
3.				
4. Totals				
CLAIMS AND BENEFITS PAID				
5. Death benefits				
6. Matured endowments				
7. Annuity benefits				
8.				
9. All other benefits, except Accident and Health				
10. Totals				
DIVIDENDS PAID OR CREDITED				
11. Life insurance:				
a. Paid in cash or left on deposit	NONE			
b. Other dividends applied or credited				
c. Totals				

*If breakdown is not available, report on line provided for totals

POLICY EXHIBIT (To be prepared on same basis as Exhibit of Policies on Page 15)	ORDINARY		GROUP		INDUSTRIAL	
	NUMBER	AMOUNT	NUMBER OF POLICIES	AMOUNT	NUMBER	AMOUNT
12. In force December 31 of previous year						
13. Issued during year						
14. Ceased to be in force during year (Net)						
15. In force December 31 of current year						
LOSSES AND CLAIMS						
16. Unpaid December 31, previous year	NONE					
17. Incurred during current year						
18. Settled during current year:						
a. By payment in full						
b. By compromise						
c. By rejection						
d. Totals						
19. Unpaid Dec. 31, current year (16+17−18d)						
20. Amount actually paid on compromised claims						

ACCIDENT AND HEALTH INSURANCE (TOTAL)

	DIRECT PREMIUMS (Per Schedule T)	DIRECT PREMIUMS EARNED	DIVIDENDS PAID OR CREDITED ON DIRECT BUSINESS	DIRECT LOSSES PAID	DIRECT LOSSES INCURRED
21. Group Policies					
22. Individual Policies:					
a. Accident only		NONE			
b. Accident and Health					
c. Non-cancellable A & H					
d. Hospital and Medical					
e.					
f. Total Individual					
23. Totals (Lines 21 + 22f)					

CREDIT LIFE AND ACCIDENT AND HEALTH INSURANCE

(Included in the above schedules)

Submission of data required below may be deferred to April 1st

	DIRECT PREMIUMS (Schedule T Basis)	DIRECT PREMIUMS EARNED	DIVIDENDS PAID OR CREDITED ON DIRECT BUSINESS	DIRECT LOSSES PAID	DIRECT LOSSES INCURRED
24. Individual Life Policies					
25. Group Life Policies		NONE			
26. Totals (Lines 24 + 25)					
27. Individual A & H Policies					
28. Group A & H Policies					
29. Totals (Lines 27 + 28)					
30. Totals (Lines 26 + 29)					

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PLAINTIFF'S EXHIBIT NO. 15

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C.

STATEMENT OF POLICY

(As amended November 5, 1957)

The Securities and Exchange Commission with the assistance of the National Association of Securities Dealers, Inc., in 1950 reviewed samples of advertising and supplemental sales literature used in the sale of investment company shares, much of which was not filed with this Commission. This review revealed the existence of many practices in connection with the use, form and content of certain advertising and sales literature which, in the opinion of the Commission, might violate statutory standards, including provisions of the Securities Act of 1933 and the Investment Company Act of 1940.

The Commission, therefore, has issued the following Statement of Policy so that issuers, underwriters and dealers may understand certain of the types of advertising and sales literature which the Commission considers may be violative of the statutory standards.

It should be emphasized that the following Statement of Policy, as amended, does not attempt to cover all possible abuses, and that literature which complies with this Statement may not be used if it is in fact misleading. Conversely, nothing in this Statement of Policy is intended to prevent the use of factual statements, fairly presented, concerning fundamental investment policies and objectives, investment restrictions or other characteristics of a particular investment company.

"Sales literature" as used hereafter shall be deemed to include any communication (whether in writing, by radio or by television) used by an issuer, underwriter, or dealer to induce the purchase of shares of an investment company. Reports of issuers to the extent they are transmitted to shareholders and do not contain an express offer are not deemed to be "sales literature" within the meaning of this definition but shall conform to this Statement of Policy. Communications between issuers, underwriters and dealers are included in this definition of "sales literature" only if such communications are passed on either orally or in writing or are shown to prospective investors or are designed to be employed in either written or oral form in the sale of securities.

For the purpose of interpreting this Statement of Policy, a piece of sales literature shall be deemed materially misleading by reason of an implication, as contemplated herein, if such sales literature (1) includes an untrue statement of a material fact or (2) omits to state a material fact necessary in order to make a statement made, in the light of the circumstances of its use, not misleading.

not reflect the acceptance of capital gains distributions in shares or the rein-

It will be considered materially misleading hereafter for sales literature —

Rates of Return

(a) To represent or imply a percentage return on an investment in the shares of an investment company unless based upon—

(1) Dividends from net investment income paid during a fiscal year related to the average monthly offering price for such fiscal year, provided that if any year prior to the most recent fiscal year is selected for this purpose, the rate of return for all subsequent fiscal years, similarly calculated, shall also be stated; or

(2) Dividends paid from net investment income during the twelve months ending not earlier than the close of the calendar month immediately preceding the date of publication related to an offering price current at said date of publication;

in either case the basis of the calculation shall be shown and adjustment made for capital gains distributions and any other factor necessary to make the presentation not misleading. "Net investment income" as used above shall include net accrued undivided earnings included in the price of capital shares issued and repurchased and shall be as required to be included in the issuer's prospectus. Every such statement of return shall be accompanied by a statement to the effect that such return is based upon dividends paid in the period covered and is not a representation of future results. Either in the same text, or by reference in the same text to an historical table elsewhere in the same piece of literature, there must be shown the per-share asset value at the beginning and end of the period, or the increase or decrease (stated in percentage) in asset value.

Show Asset Value Change

Capital vs. Income

(b) (1) To combine into any one amount distributions from net investment income and distributions from any other source.

(b) (2) To represent or imply an assurance that an investor will receive a stable, continuous, dependable, or liberal return or that he will receive any specified rate or rates of return.

Explain Risks

(c) To represent or imply an assurance that an investor's capital will increase or that purchase of investment company shares involves a preservation of original capital and a protection against loss in value. To discuss accumulation of capital, preservation of capital, accumulation of an estate, protection against loss of purchasing power, diversification of investments, financial independence or profit possibilities without pointing out or explaining the market risks inherently involved in the investment.

Government Regulation

(d) To make any reference to registration or regulation of any investment company under Federal or state authority without explaining that this does not involve supervision of management or investment practices or policies.

(e) To represent or imply that services of banking institutions as custodian of securities, transfer agent, or dividend disbursing agent, provide protection for investors against possible depreciation of assets or that such institutions maintain any supervisory function over management in such matters as purchase and sale of portfolio securities or payment of dividends or provide any trusteeship protection, or to fail to state the extent of the limited role of the custodian whenever the advantages of custodial services are discussed. *Custodial Services*

(f) To state or discuss the redemption features of investment company shares without explaining in such statement that the value of the shares on redemption may be more or less than the investor's cost, depending upon the market value of the portfolio securities at the time of redemption. *Redemption*

(g) (1) To represent or imply that shares of an investment company are similar to or as safe as government bonds, insurance annuities, savings accounts or life insurance, or have the fixed income, principal, or any other features of a debt security. *Comparisons Generally*

(2) To represent or imply that the management of an investment company is under the same type of investment restrictions or is operated under limitations similar to or has fiduciary obligations such as those imposed by governmental authorities on savings banks and insurance companies, except to the extent that it is so restricted or limited by its statement of policy on file with this Commission.

(h) To use any comparison of an investment company security with any other security or medium of investment or any security index or average without pointing out—— *Comparisons With Market Index or Other Security*

(1) that the particular security or index or average and period were selected; and,

(2) that the results disclosed should be considered in the light of the company's investment policy and objectives, the characteristics and quality of the company's investments, and the period selected; and,

(3) the material differences or similarities between the subjects of the comparisons; and,

(4) what the comparison is designed to show; and

(5) anything else that may be necessary to make the comparison fair.

(i) To represent or imply that investment companies in general are direct sources of new capital to industry or that a particular investment company is such a source unless the extent to which such investments are made is disclosed. *New Capital*

Performance Charts and Tables

(j) To use any chart or table which is inaccurate in factual detail or tends to create a false or misleading impression as to any material aspect of the investment company's past performance or of an assumed investment of any investor in the investment company, or appears to represent that the investment company's past performance or investor experience will be repeated in the future. Charts or tables which conform to the "Approved Charts and Tables," described below and illustrated in the Appendix, will not be regarded by the Commission as materially false and misleading in the absence of facts or circumstances which make such charts or tables or their use in fact false and misleading in a particular use. Persons using other charts and tables must assume responsibility that they are not materially false or misleading. Any such chart or table may be submitted to the Commission for its views in advance of its use.

(1) Approved charts should conform with the following:

(i) The text, graphic detail and arrangement of any such chart should be substantially as shown on sample charts A, B, C, and D in the Appendix, whichever is applicable.

Drawn to Scale

(ii) Each chart should be drawn to scale which should be shown on the side of the chart and the same scale should be used for all segments of the chart. Appropriate shading or coloring should be added to distinguish between the different elements of the chart.

(iii) Charts A and B may not be used to show the reinvestment of dividend income.

(iv) The caption of sample chart B may, if desired, be changed to read as follows:

RECORD OF FUND IN TERMS OF NET ASSET VALUE PER SHARE, AND ILLUSTRATION OF AN ASSUMED INVESTMENT IN ONE SHARE WITH CAPITAL GAINS DISTRIBUTIONS ACCEPTED IN ADDITIONAL SHARES

(v) Chart C should be accompanied in the same piece of literature by Table 1 and Chart D should be so accompanied by Table 2. These tables should be prepared on the same assumption and cover the same period as the related chart, and should appear in a manner and location which permit easy reference from the chart to the corresponding table.

(2) Approved tables should conform with the following:

(i) The text, detail and arrangement of any table illustrating a dividend reinvestment or continuous investment program should be substantially as shown on Tables 1 and 2 in the Appendix, whichever is applicable. Tables prepared in accordance with the requirements for a table prescribed for use in the investment company's prospectus, or tables containing the same information as is shown on Charts A and B, may also be employed.

See Sample Tables 1 and 2 . . . Pages 14 *and* 15

Contractual Plans

(ii) Any table designed to show any other investment program should contain comparable information. *(Contractual plan companies must use Sample Tables 3 and 4 on Pages* 18 *and* 19*)*

(iii) When Table 1 is used with Chart C or when Table 2 is used with Chart D in accordance with subparagraph (1) (v), above, such table need not contain any specific reference to the sales commission. When such table follows immediately after the chart, on the same page as the chart, the caption of the table and any notes thereto which are contained in the chart may be omitted from the table.

(3) Approved charts and tables should conform with the following:

Highest Sales Charge

(i) Charts and tables may be set up on a per share basis, or in amounts other than those shown on the attached samples, provided the charts and tables give effect to the maximum sales commission currently charged. The amounts used in constructing the chart or table should be amounts capable of being invested under the particular program being described. Any chart or table may be accompanied, in the same piece of literature, by a chart or table (which may be in summary form) illustrating investments in larger amounts at reduced sales commissions.

(ii) Any chart or table which reflects either the acceptance of capital gains distributions in additional shares or the reinvestment of dividends from investment income should not be captioned or characterized as the record of the fund, except as permitted in subparagraph (1) (iv).

Periods Covered

(iii) The period covered by such chart or table should be the most recent period ending with the latest available fiscal or calendar year and embracing:

A. The life of the company or the life of the issuer of the underlying investment company shares, or,

B. The duration of any plan or contract of the type referred to in Section 27 (a) of the Investment Company Act of 1940, or,

C. The immediately preceding 10 years, or,

D. Periods longer than 10 years but less than the life of the company or the duration of such plan or contract, if such additional periods are multiples of five years;

provided that a portion of the current year may be added to the period ended with the last fiscal or calendar year. In no event should such chart or table relate to a period that exceeds the life of the company or the life of the issuer of the underlying shares.

Summary Results

(iv) Charts A, B, C, and D and Tables 1 and 2 may be accompanied in the same piece of literature by summary tables for the same period covered by the chart or table showing the end results which would have been obtained if alternative assumptions had been made as to the acceptance of capital gains distributions in shares or the reinvestment of dividends from investment income or both.

Use Same Basis

(v) Charts and tables may be accompanied in the same piece of literature by summary tables prepared on the same basis as the chart or table they accompany as follows:

A. A summary table showing the end results depicted in the chart or table.

Successive Summaries

B. Successive summary tables showing the end results over several periods of equal length, provided that the latest 10-year or longer period as well as every other such period within the total time span covered by the chart or table is included and that the chart or table and the summary tables are presented on the same page or on facing pages.

C. Successive summary tables showing the end results over several periods of unequal length, provided that such unequal periods start with each successive year and end with the last date shown on the chart or table, that every such period of unequal length within the total time span covered by the chart or table is included, and that the chart or table and the summary tables are presented on the same page or on facing pages.

Summary Content

(vi) In depicting the end results in any summary or successive summary tables provided for in (iv) and (v) above, the total of initial and periodic investments, total dividend reinvestment cost, total investment cost, total of capital gains distributions accepted in shares, and ending total asset value shall be shown separately to the extent applicable. The total capital gains distributions accepted in shares may be shown in a footnote. Summary tables need not contain any specific reference to sales commission.

(vii) Any approved chart or table may be prepared on a basis which does

not reflect the acceptance of capital gains distributions in shares or the reinvestment of dividends from investment income, or both, provided that no chart or table should reflect the reinvestment of dividends from investment income unless it also reflects the acceptance of capital gains distributions in shares.

May Need Added Facts

(viii) Any chart or table should be preceded or accompanied by a prominent statement of any additional information or explanation of material significance to investors in appraising the figures shown, when necessary in a particular case to provide adequate and accurate disclosure of material facts.

(ix) Other relevant data in addition to that shown on the Approved Charts or Tables, such as the number of shares of stock acquired through assumed investments or the price of the shares so acquired, may be included, if the addition of such data does not result in a false and misleading presentation.

(k) To make any extravagant claims regarding management ability or competency.

Management Claims

(l) To represent or imply that investment companies are operated as, or are similar to, "co-operatives".

(m) To represent or imply that investment company shares generally have been selected by fiduciaries.

(n) (1) To use the phrase "dollar averaging" or "averaging the dollar" (although the phrases "dollar cost averaging" or "cost averaging" are not objectionable) in referring to any plan of continuous investment in the shares of an investment company at stated intervals regardless of the price level of the shares.

Continuous Investment Programs

(2) To discuss or portray the principles of dollar cost averaging, or cost averaging, or to discuss or portray any Periodic Payment Plan referred to in section 27(a) of the Investment Company Act of 1940, without making clear—

Cost Averaging and Contractual Plans

(i) that the investor will incur a loss under such plan if he discontinues the plan when the market value of his accumulated shares is less than his cost; and

(ii) that the investor is investing his funds primarily in securities subject to market fluctuations and that the method involves continuous investment in such shares at regular intervals regardless of price levels; and

(iii) that the investor must take into account his financial ability to continue such plan through periods of low price levels; and

(iv) that such plans do not protect against loss in value in declining markets.

(3) To discuss or portray any other type of continuous investment plan without making clear that such type of investment plan does not assure a profit and does not protect against depreciation in declining markets.

Sales Commissions

(o) To fail to include in any sales literature which does not state the amount or rate of the sales commission (except communications which deal only with routine business matters or which do not purport to discuss or describe any investment company or investment company security) a clear reference to the prospectus or prospectuses for information concerning the sales commission, and other information.

(p) To fail to include in any sales literature which is designed to encourage investors to switch from one investment company to another, or from one class of security of an investment company to another class, the substance of the following statement in a separate paragraph in type as large as that used generally in the body of the piece:

> **"Switching from the securities of one investment company to another, or from one class of security of an investment company to another, involves a sales charge on each such transaction, for details of which see the prospectus. The prospective purchaser should measure these costs against the claimed advantage of the switch".**

Industry Performance against Company Performance

(q) To represent or imply that the performance of any particular company may be measured by or compared with or related to the performance of a particular industry unless the extent and scope of the portfolio of the particular company is such that its performance will generally approximate that of the industry.

Reprints

(r) To employ material in whole or in part from published articles or documents descriptive of or relating to investment companies unless such material, or the literature including such material, complies with this Statement of Policy and in addition such material is not taken out of context in a manner which alters its intended meaning.

SAMPLE PERFORMANCE CHARTS AND TABLES

Sample Chart A

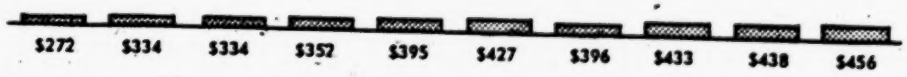
ILLUSTRATION OF AN ASSUMED INVESTMENT OF $10,000

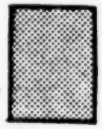
With Capital Gains Distributions Accepted in Additional Shares

The chart below covers the period from January 1, 1946 to December 31, 1955. This period was one of generally rising common stock prices. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from an investment made in the fund today.

RECORD OF INCOME

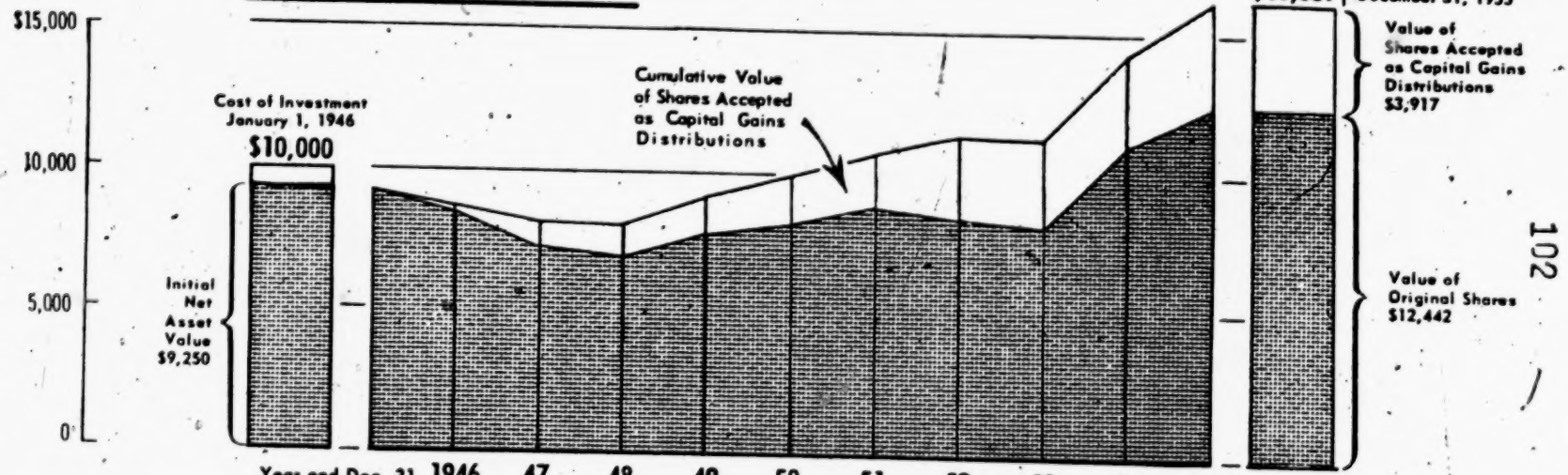
Dividends Paid from Investment Income





Total Dividends from Investment Income
$3,837

RECORD OF PRINCIPAL



Year end Dec. 31	1946	47	48	49	50	51	52	53	54	55
VALUE OF SHARES initially acquired through investment of $10,000	$8,425	$7,260	$6,925	$7,845	$8,270	$8,765	$8,405	$8,220	$11,110	$12,442
VALUE OF SHARES accepted as capital gains distributions (cumulative)	349	905	1,175	1,354	1,521	1,860	2,840	2,888	3,253	3,917
TOTAL VALUE	8,774	8,165	8,100	9,199	9,791	10,625	11,245	11,108	14,363	16,359

Initial net asset value is the amount received by the fund after deducting from the cost of the investment the sales commission as described in the prospectus.

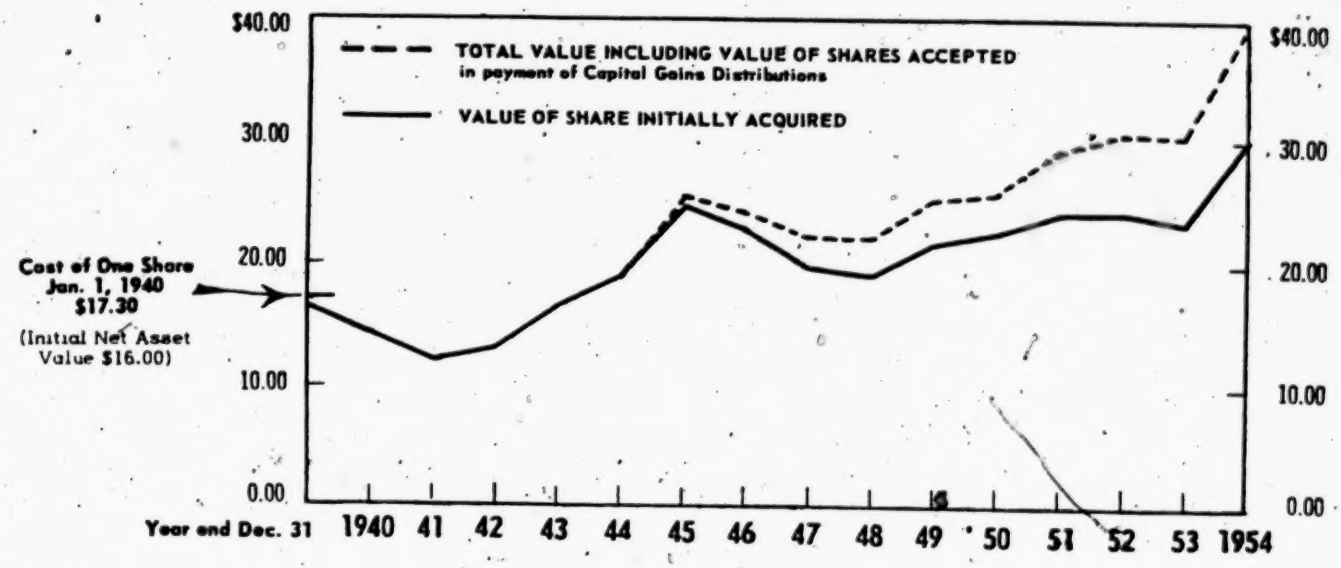
No adjustment has been made for any income taxes payable by stockholders on capital gains distributions accepted in shares. The dollar amounts of capital gains distributions accepted in shares were: 1946 - $334, 1947 - $578, 1948 - $207, 1949 - none, 1950 - $127, 1951 - $215, 1952 - $594, 1953 - $163, 1954 - $128, 1955 - $315; Total $2,661.

Sample Chart B

ILLUSTRATION OF AN ASSUMED INVESTMENT IN ONE SHARE

with Capital Gains Distributions Accepted in Additional Shares

The chart below covers the period from January 1, 1940 to December 31, 1954. This period was one of generally rising common stock prices. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from an investment made in the fund today.



Per share for year ending Dec. 31	'40	'41	'42	'43	'44	'45	'46	'47	'48	'49	'50	'51	'52	'53	'54	
VALUE OF SHARE initially acquired	$14.04	$12.18	$13.38	$16.40	$18.94	$24.89	$22.78	$19.75	$19.08	$21.67	$22.74	$24.15	$24.15	$23.50	$30.05	
VALUE OF SHARES accepted as capital gains distributions (cumulative)	—	—	—	—	—	.42	1.23	2.59	3.09	3.51	4.07	4.95	6.64	6.91	9.29	
TOTAL VALUE	$14.04	12.18	13.38	16.40	18.94	25.31	24.01	22.34	22.17	25.18	26.81	29.10	30.79	30.41	39.34	
DIVIDENDS FROM INCOME	.64	.69	.76	.64	.64	.71	.75	.91	.91	.96	1.08	1.17	1.08	1.18	1.20	Total 13.32

Initial net asset value is the amount received by the fund after deducting from the cost of the investment the sales commission as described in the prospectus.

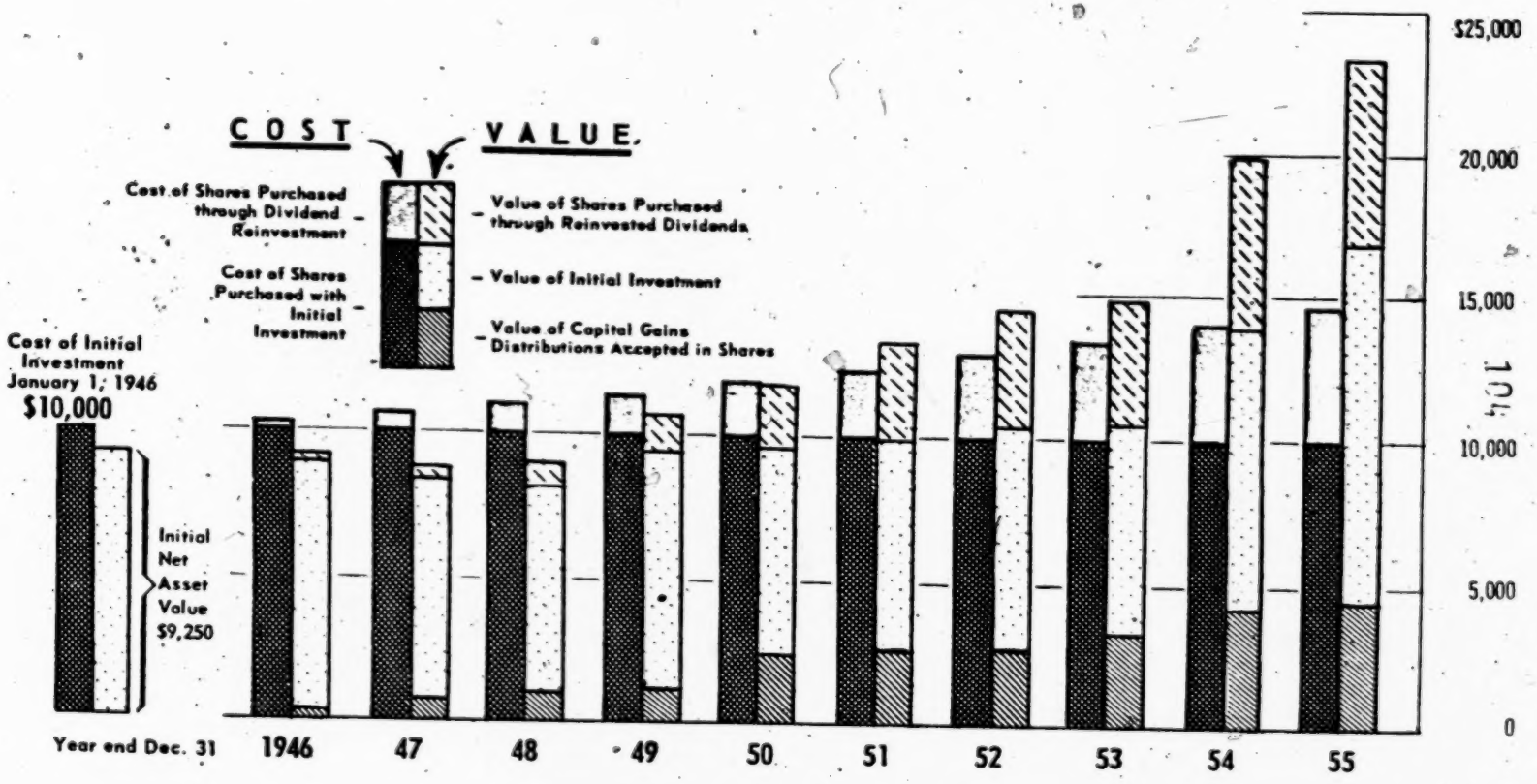
No adjustment has been made for any income taxes payable by stockholders on capital gains distributions accepted in shares. The dollar amounts of capital gains distributions accepted in shares were: 1940-1944 - none; 1945 - $0.34; 1946 - $0.92; 1947 - $2.58; 1948 - $0.57; 1949 - none; 1950 - $0.35, 1951 - $0.59; 1952 - $1.63; 1953 - $0.45; 1954 - $0.35. Total - $7.78.

Sample Chart C

ILLUSTRATION OF AN ASSUMED INVESTMENT OF $10,000

with Dividends Reinvested and Capital Gains Distributions Accepted in Shares

The chart below covers the period from January 1, 1946 to December 31, 1955. This period was one of generally rising common stock prices. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from an investment made in the fund today.



Initial net asset value is the amount received by the fund after deducting from the cost of the investment the sales commission as described in the prospectus. Income dividends were assumed to have been reinvested in additional shares at the public offering price which includes a sales commission of 7 1/2%, as described in the prospectus.

No adjustment has been made for any income taxes payable by shareholders on capital gains distributions and dividends reinvested in shares.

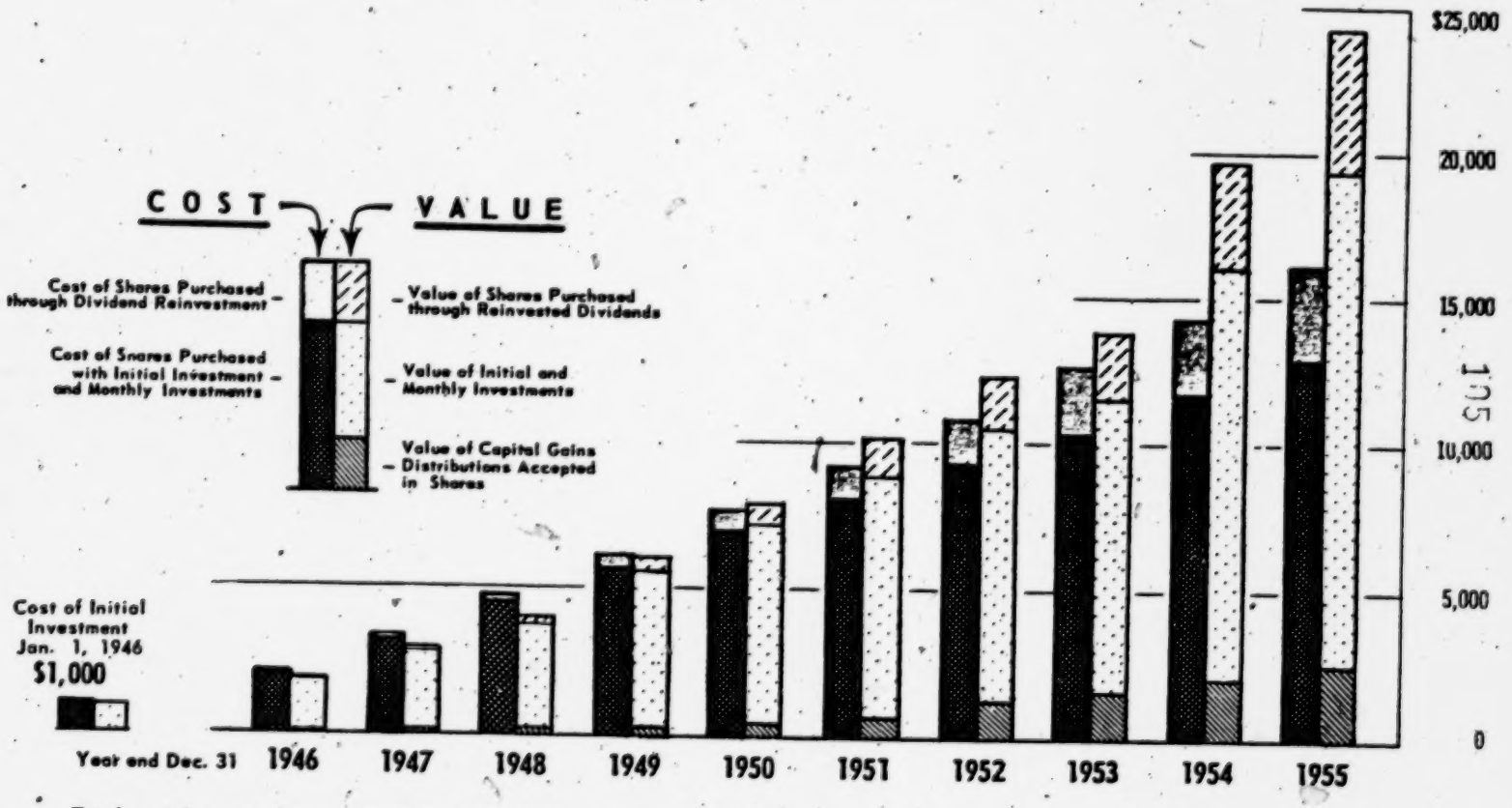
NOTE: See table ___ on page ___ for dollar amounts represented by this chart

Sample Chart D

ILLUSTRATION OF A CONTINUOUS INVESTMENT PROGRAM

in terms of an Assumed Initial Investment of $1,000 and Subsequent Investments of $100 Per Month with Dividends Reinvested and Capital Gains Distributions Accepted in Shares

The chart below covers the period from January 1, 1946 to December 31, 1955. This period was one of generally rising common stock prices. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from an investment made in the fund today. A program of the type illustrated does not assure a profit or protect against depreciation in declining markets.



Total cost for each year represents the initial investment of $1,000 plus the cumulative total of monthly investments of $100 per month plus the cumulative amount of income dividends reinvested. The cost for all shares so purchased includes sales commissions of 7 1/2% as described in the prospectus.

No adjustment has been made for any income taxes payable by shareholders on capital gains distributions and dividends reinvested in shares.

NOTE: See table____ on page____ for dollar amounts represented by this chart

Sample Table 1

ILLUSTRATION OF AN ASSUMED INVESTMENT OF $10,000

with Dividends Reinvested and Capital Gains Distributions Accepted in Shares

The table below covers the period from January 1, 1946 to December 31, 1955. This period was one of generally rising common stock prices. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from an investment made in the fund today.

Year Ended Dec. 31 -	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
AMOUNT OF DIVIDENDS FROM INVESTMENT INCOME REINVESTED ANNUALLY	$ 275	$ 349	$ 361	$ 397	$ 463	$ 791	$ 227	$ 565	$ 594	$ 637
CUMULATIVE COST OF SHARES PURCHASED THROUGH INVESTMENT OF INCOME DIVIDENDS	275	624	985	1,382	1,845	2,636	2,863	3,428	4,022	4,659
TOTAL COST, INCLUDING REINVESTED DIVIDENDS	$10,275	$10,624	$10,985	$11,382	$11,845	$12,636	$12,863	$13,428	$14,022	$14,659
VALUE OF SHARES:										
a. Initially Acquired	$ 8,434	$ 7,268	$ 6,962	$ 8,120	$ 7,240	$ 7,189	$ 7,699	$ 7,391	$ 9,871	$11,473
b. Accepted as Capital Gains Distributions (cumulative)	320	860	1,090	1,120	2,400	2,600	2,890	3,220	4,170	4,350
SUB-TOTAL	$ 8,754	$ 8,128	$ 8,052	$ 9,240	$ 9,640	$ 9,789	$10,589	$10,611	$14,041	$15,823
c. Purchased Through Reinvestment of Income (cumulative)	$ 260	$ 580	$ 925	$ 1,370	$ 2,100	$ 3,450	$ 3,910	$ 4,250	$ 5,800	$ 7,400
TOTAL VALUE	$ 9,014	$ 8,708	$ 8,977	$10,610	$11,740	$13,239	$14,499	$14,861	$19,841	$23,223

The total cost figure represents the initial cost of $10,000 plus the cumulative amount of income dividends reinvested, and includes sales commissions of 7 1/2%, as described in the prospectus, on all shares so purchased. The dollar amounts of capital gains distributions accepted in shares were: 1946 - $334, 1947 - $594; 1948 - $220; 1949 - none; 1950 - $1,148; 1951 - $147; 1952 - $258; 1953 - $210; 1954 - $171, 1955 - $436, Total - $3,518.

No adjustment has been made for any income taxes payable by shareholders on capital gains distributions and dividends reinvested in shares.

Sample Table 2

ILLUSTRATION OF A CONTINUOUS INVESTMENT PROGRAM

in terms of an Assumed Initial Investment of $1,000 and Subsequent Investments of $100 Per Month with Dividends Reinvested and Capital Gains Distributions Accepted in Shares

The table below covers the period from January 1, 1946 to December 31, 1955. This period was one of generally rising common stock prices. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from an investment made in the fund today. A program of the type illustrated does not assure a profit or protect against depreciation in declining markets.

Year Ended Dec. 31 -	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
AMOUNT OF DIVIDENDS FROM INVESTMENT INCOME REINVESTED ANNUALLY	$ 38	$ 89	$ 139	$ 201	$ 286	$ 372	$ 403	$ 501	$ 572	$ 649
CUMULATIVE COST OF SHARES PURCHASED THROUGH INVESTMENT OF INCOME DIVIDENDS	$ 38	$ 127	$ 266	$ 467	$ 753	$ 1,125	$ 1,528	$ 2,029	$ 2,601	$ 3,250
TOTAL OF INITIAL AND MONTHLY INVESTMENTS	2,100	3,300	4,500	5,700	6,900	8,100	9,300	10,500	11,700	12,900
TOTAL COST, INCLUDING REINVESTED DIVIDENDS	$ 2,138	$ 3,427	$ 4,766	$ 6,167	$ 7,653	$ 9,225	$10,828	$12,529	$14,301	$16,150
VALUE OF SHARES:										
a. Acquired Through Initial and Monthly Investments	$ 1,816	$ 2,659	$ 3,706	$ 5,506	$ 6,863	$ 8,404	$ 9,432	$10,113	$14,237	$15,941
b. Accepted as Capital Gains Distributions (cumulative)	25	147	198	218	340	548	1,152	1,430	2,005	2,592
SUB-TOTAL	$ 1,841	$ 2,806	$ 3,904	$ 5,724	$ 7,203	$ 8,952	$10,584	$11,543	$16,242	$18,533
c. Purchased Through Reinvestment of Income (cumulative)	30	108	225	425	790	1,237	1,753	2,272	3,511	4,790
TOTAL VALUE	$ 1,871	$ 2,914	$ 4,129	$ 6,149	$ 7,993	$10,189	$12,337	$13,815	$19,753	$24,323

The total cost figures represent the initial investment of $1,000 plus the cumulative total of monthly investments of $100 per month plus the cumulative amount of income dividends reinvested, and include sales commissions on all shares so purchased of 7 1/2%, as described in the prospectus. The dollar amounts of capital gains distributions accepted in shares were: 1946 - $33, 1947 - $129, 1948 - $76, 1949 - none, 1950 - $86, 1951 - $178, 1952 - $575, 1953 - $181, 1954 - $161, 1955 - $436. Total $1,853.

No adjustment has been made for any income taxes payable by shareholders on capital gains distributions and dividends reinvested in shares.

CONTRACTUAL PLAN TABLES

Under Section (j) of the Statement of Policy, hypothetical tables used by contractual plan company underwriters in supplemental sales literature must conform to Sample Tables 3 and 4 on the following pages.

Use Highest Sales Charge

These tables are prepared on the basis of an assumed investment of $10 monthly. This is to meet the requirement that such tables must be prepared on the basis of assumed investments involving the smallest permissible monthly payment and carrying the largest sales charge. Anyone wishing to do so may also include in sales literature containing tables such as these, additional tables or summaries based on larger monthly payments and carrying smaller sales charges; but no such additional tables or summaries may be used except when published in the same literature that contains tables on the basis of the largest sales charge.

Summary Option

The sample tables contain summary results. Such summaries are not required. They are included in the samples simply to make clear that, at the minimum, any such summaries must include at least the following: total payments, total dividends reinvested, total investment cost, total capital gains reinvested, and total liquidating value.

Where a particular type of contractual plan does not wholly fit the details of the samples, such tables may be adapted to be applicable to the particular plan being shown. However, the overall format and text of the tables must be followed as closely as possible.

Sample Table 3

ILLUSTRATION OF A TWENTY YEAR CONTRACTUAL PLAN FOR INVESTMENT IN _____

This illustration is in terms of an assumed investment of $10 per month (minimum monthly payment plan) for ten years, with dividends reinvested and capital gains distributions accepted in shares, followed by an additional ten years during which dividends from investment income and distributions from capital gains on accumulated shares continue to be received in shares.

The period covered, from January 1, 1938 to December 31, 1957, was one of generally rising common stock prices. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from an investment made in the fund today. A program of the type illustrated does not assure a profit or protect against depreciation in declining markets.

ACCUMULATION PERIOD
(1st through 10th years)

Year End	Monthly Payments: Annually	Monthly Payments: Cumulative	Annual Div'd. Income Reinvested	Total Cumulative Cost (a)	Deductions: Sales Charge	Deductions: Custodian Fee	Balance Invested After Deductions: Annually	Balance Invested After Deductions: Cumulative	Annual Capital Gains Dists. Reinvested	Value of Accumulated Shares	Total Shares Accumulated
1938	*$130.00**	*$ 130.00*	*$ 1.44*	*$ 131.44*	*$ 65.00**	*$ 3.25**	*$ 61.87*	*$ 61.87*	*$ 1.08*	*$ 43.40*	*6.9*
1939	120.00	250.00	5.12	256.56	4.80	3.00	117.32	179.19	1.16	179.17	25.6
1940	120.00	370.00	6.93	383.49	4.80	3.00	119.13	298.32	9.76	320.97	44.5
1941	120.00	490.00	13.39	516.88	4.80	3.00	125.59	423.91	9.03	439.68	64.6
1942	120.00	610.00	25.38	662.76	4.80	3.00	138.08	561.99	6.74	529.49	86.3
1943	120.00	730.00	31.58	814.34	4.80	3.00	143.78	705.77	10.87	743.62	111.1
1944	120.00	850.00	38.69	973.03	4.80	3.00	150.89	856.66	23.43	1,047.76	133.4
1945	120.00	970.00	42.19	1,135.22	4.80	3.00	154.39	1,011.05	41.51	1,373.90	156.6
1946	120.00	1,090.00	43.32	1,298.54	4.80	3.00	155.62	1,166.57	84.21	1,817.35	181.5
1947	110.00	1,200.00	45.89	1,454.43	4.40	2.75	148.74	1,315.31	79.87	1,872.27	205.0
			$254.43		$107.80	$30.00			$267.66		

(a) Reflects the cumulative total of monthly payments, plus the cumulative amount of income dividends reinvested.

**Under the terms of this plan, out of the initial payment of $20, $10 is deducted as a sales charge, with $5 being deducted as a sales charge from each of the next 11 payments. Additional deductions include $.50 from the initial payment, and $.25 from each of the next 11 payments for custodian fees, with $1.32 also being deducted, from the initial payment only, for Federal issuance tax. Total deductions from the first 12 payments equal $69.57, or 53.5% of the total of the first 12 monthly payments. If all of the first 10 years' payments are made, total sales charge and other deductions amount to 11.5% of the total agreed payments.*

END OF PAYMENT PERIOD

RETAINED INVESTMENT PERIOD
(11th through 20th years—Distributions Accepted in Shares)

Year Ended	Annual Div'd. Income Reinvested	Total Cumulative Cost (b)	Deductions: Sales Charge	Deductions: Custodian Fee	Balance Invested After Deductions: Annually	Balance Invested After Deductions: Cumulative	Annual Capital Gains Dists. Reinvested	Value of Accumulated Shares	Total Shares Accumulated
1948	$ 60.53	$1,514.96	—	$ 2.40	$ 58.13	$1,373.44	$ 44.04	$1,805.1	216.9
1949	71.70	1,586.66	—	2.40	69.30	1,442.74	39.04	1,872.10	229.9
1950	91.25	1,677.91	—	2.40	88.85	1,531.59	26.19	2,178.45	243.4
1951	98.94	1,776.85	—	2.40	96.54	1,629.13	37.70	2,452.40	257.8
1952	104.91	1,881.76	—	2.40	102.51	1,730.64	66.38	2,752.56	274.9
1953	111.78	1,993.54	—	2.40	109.38	1,840.02	70.61	3,052.82	292.4
1954	118.70	2,112.24	—	2.40	116.30	1,956.32	69.27	3,107.43	311.0
1955	129.30	2,241.54	—	2.40	126.90	2,083.22	100.60	4,064.16	330.4
1956	145.51	2,387.05	—	2.40	143.11	2,226.33	148.69	4,692.64	352.5
1957	158.78	2,545.83	—	2.40	156.38	2,382.71	162.41	4,894.43	376.7
	$1,091.40			$24.00			$765.00		

(b) Based on total cumulative cost at beginning of 1948 of $1,454.53, plus income dividends reinvested for the period 1948-1957.

No allowance has been made for any income taxes payable by planholders on capital gains distributions and dividends reinvested in shares for the 20-year period.

SUMMARY

		Shares
Total Payments	$1,200.00	141
Income Dividends Reinvested	1,345.83	135
Total Investment Cost	$2,545.83	276
Capital Gains Distributions Reinvested	$1,032.00	100
Total Liquidating Value (Dec. 31, 1957)	$4,894.43	376

110 Sample Table 4

ILLUSTRATION OF A TWENTY YEAR CONTRACTUAL PLAN FOR INVESTMENT IN _____

This illustration is in terms of an assumed investment of $10 per month (minimum monthly payment plan) for ten years, with dividends reinvested and capital gains distributions accepted in shares, followed by an additional ten years during which dividends from investment income and distributions from capital gains on accumulated shares are received in cash.

The period covered, from January 1, 1938 to December 31, 1957, was one of generally rising common stock prices. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from an investment made in the fund today. A program of the type illustrated does not assure a profit or protect against depreciation in declining markets.

ACCUMULATION PERIOD
(1st through 10th years)

Year End	MONTHLY PAYMENTS Annually	MONTHLY PAYMENTS Cumulative	Annual Div'd. Income Reinvested	Total Cumulative Cost (a)	DEDUCTIONS Sales Charge	DEDUCTIONS Custodian Fee	BALANCE INVESTED AFTER DEDUCTIONS Annually	BALANCE INVESTED AFTER DEDUCTIONS Cumulative	Annual Capital Gains Dists. Reinvested	Value of Accumulated Shares	Total Shares Accumulated
1938	*$130.00**	*$ 130.00*	*$ 1.44*	*$ 131.44*	*$ 65.00**	*$ 3.25**	*$ 61.87*	*$ 61.87*	*$ 1.08*	*$ 43.40*	*6.9*
1939	120.00	250.00	5.12	256.56	4.80	3.00	117.32	179.19	1.16	179.17	25.6
1940	120.00	370.00	6.93	383.49	4.80	3.00	119.13	298.32	9.76	320.97	44.5
1941	120.00	490.00	13.39	516.88	4.80	3.00	125.59	423.91	9.03	439.68	64.6
1942	120.00	610.00	25.38	662.76	4.80	3.00	138.08	561.99	6.74	529.49	86.3
1943	120.00	730.00	31.58	814.34	4.80	3.00	143.78	705.77	10.87	743.62	111.1
1944	120.00	850.00	38.69	973.03	4.80	3.00	150.89	856.66	23.43	1,047.76	133.4
1945	120.00	970.00	42.19	1,135.22	4.80	3.00	154.39	1,011.05	41.51	1,373.90	156.6
1946	120.00	1,090.00	43.32	1,298.54	4.80	3.00	155.62	1,166.57	84.21	1,817.35	181.5
1947	110.00	1,200.00	45.89	1,454.43	4.40	2.75	148.74	1,315.31	79.87	1,872.27	205.0
			$254.43		$107.80	$30.00			$267.66		

(a) Reflects the cumulative total of monthly payments, plus the cumulative amount of income dividends reinvested.

**Under the terms of this plan, out of the initial payment of $20, $10 is deducted as a sales charge, with $5 being deducted as a sales charge from each of the next 11 payments. Additional deductions include $.50 from the initial payment, and $.25 from each of the next 11 payments for custodian fees, with $1.32 also being deducted, from the initial payment only, for Federal issuance tax. Total deductions from the first 12 payments equal $69.57, or 53.5% of the total of the first 12 monthly payments. If all of the first 10 years' payments are made, total sales charge and other deductions amount to 11.5% of the total agreed payments.*

No allowance has been made for any income taxes payable by planholders on capital gains distributions and dividends reinvested in shares during the first 10 years.

SUMMARY

		Shares
Total Payments	$1,200.00	141
Income Dividends Reinvested	254.43	32
Total Investment Cost	$1,454.43	173
Capital Gains Distributions Reinvested	$ 267.66	32
Total Liquidating Value (Dec. 31, 1947)	$1,872.27	205

END OF PAYMENT PERIOD

RETAINED INVESTMENT PERIOD
(11th through 20th years—Distributions Received in Cash)

Year Ended	Total Cumulative Cost	Dividends from Investment Income	DEDUCTIONS Sales Charge	DEDUCTIONS Custodian Fee	Net Dividends from Investment Income Received in Cash	Capital Gains Received in Cash	Value of Accumulated Shares	Total Shares Held
1948	$1,454.43	$ 59.47	—	$ 2.40	$ 57.07	$ 43.06	$1,706.16	205.0
1949	1,454.43	66.63	—	2.40	64.25	35.89	1,669.25	205.0
1950	1,454.43	79.98	—	2.40	77.58	22.56	1,835.35	205.0
1951	1,454.43	82.03	—	2.40	79.63	30.76	1,950.19	205.0
1952	1,454.43	82.03	—	2.40	79.63	51.26	2,052.73	205.0
1953	1,454.43	82.03	—	2.40	79.63	51.26	2,140.90	205.0
1954	1,454.43	82.03	—	2.40	79.63	47.16	2,048.63	205.0
1955	1,454.43	84.08	—	2.40	81.68	64.60	2,522.33	205.0
1956	1,454.43	89.20	—	2.40	86.80	90.23	2,729.45	205.0
1957	1,454.43	91.25	—	2.40	88.85	92.28	2,663.83	205.0
		$798.75		$24.00	$774.75	$529.06		

PLAINTIFF'S EXHIBIT NO. 17

[Page 1]*

STUDY NUMBER 1

ANNUAL PREMIUM STUDY

Sources of Material: The "Common Stock Price Index" and the "Common Stock Net Yields" given in Appendix A of a booklet entitled "A New Approach to Retirement Income" by William C. Greenough of the Teachers Insurance and Annuity Association of America were used. The figures from the booklet were used for the period from 1880 to 1950, and an extension of the appendix was secured from Mr. Robert M. Duncan of the TIAA for the years 1951 through 1960. The sources of the "Common Stock Price Index" and the "Common Stock Net Yields", along with the changes made to extend the index over the entire period, are given on Pages 18 and 19 of Mr. Greenough's booklet.

Net Premium: The annual premium is assumed to be $10,000 for the purpose of this study. The loading schedule used for this study was 50 per cent of the first year, 15 per cent for the second and third years, 10 per cent for the fourth through ninth years, and eight per cent for the tenth and subsequent years. This produces net premiums of $5,000 for the first year, $8,500 for the second and third years, $9,000 for the fourth through the ninth years, and $9,200 for the tenth and subsequent years.

Appreciation Factor: For a particular calendar year, it was assumed that the index was representative of the market at some given time during the year. We were not studying the results for a particular year, but were looking at such results from the standpoint of duration only. Therefore, the appreciation factor for a particular year was taken as the Common Stock Price Index for the subsequent year divided by the Common Stock Price Index for the indicated year.

Market Value at End of Year: This represents the market value at the end of the previous year, plus the net premium, multiplied by the appreciation factor.

Gross Yield Rate: It is indicated in the Greenough booklet that the "Common Stock Net Yield" is determined by reducing the gross yield by one-quarter of one per cent. We, therefore, increased the net yields by this one-quarter of one per cent to obtain the gross yields. For purposes of calculation, the chart shows one-half the gross yield rate. The one-half is introduced in this factor to produce the mean fund by applying this one-half gross yield rate to the sum of the fund at the end of the previous year, plus the fund at the end of the current year.

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* On the original of this exhibit the page numbers appear on the reverse side of each page.

ividend Income: The dividend income is arrived at by taking he gross yield rate times the mean fund.

ctuarial Margin: The heading on some pages is printed as ctuarial year-end, but the intent was that this represent he actuarial margin. This is one per cent of the market alue at year-end plus the dividend income.

und at Year-End: This represents the market value at the nd of the year, plus the dividend income, minus the actuarial argin. The mean fund during the year is arrived at by taking he fund at the end of the previous year and increasing this y the net premium, then adding the fund at the end of the urrent year. The result is divided by two to produce the ean fund, and as commented on previously, this is the one-alf factor in the gross yield rate.

ccumulated Net Premiums: This is the arithmetic sum of the et premiums.

ase of Capital Gains Tax: This base for capital gains tax s taken as the accumulated sum of the net premium, plus ividend income, minus the actuarial margin.

apital Gains Tax: This represents 25 per cent of the excess f the fund at year-end over the base for capital gains tax.

ash Value: This represents the fund at year-end, minus the apital tains tax if any.

xcess Cash Value Guarantee: This represents the excess of he accumulated net premiums over the cash value at any uration.

SINGLE PREMIUM STUDY

The single premium study utilizes the same method and assumptions as study number 1, with the exception that it is assumed that a single premium of $10,000 is received. No loading was assumed in this case merely because this facilitated the modification of the electonronics program.

[Page 3]

STUDY NUMBER 1

ANNUAL PREMIUM STUDY

Error in study: In the set up of the electronics program for calculating, sufficient space was not allocated for the base for capital gains tax, and, therefore, at the higher durations, erroneous figures were produced in this column. This error affects the capital gains tax and the cash value at these durations.

In the development of the study, it was recognized that figures for such long durations would be entirely without meaning, and they were calculated merely because it was easier to calculate to the end of the data available in place of stopping at an intermediate point.

Earl S. Magnuson

SKC

September 27, 1963

STUDY NUMBER 2

MONTHLY PREMIUM STUDY

Source of Material: Standard & Poor's - Daily Stock Price Indexes - 1926 to 1960, Published by Standard & Poor's Corporation, 345 Hudson Street, New York 14, New York. The "Composite" Daily Stock Price Index on a month-end basis was used. The yield percentages were used to approximate the dividends. The month-end closing figures were available for the year 1928 and following. The yield percentages for the years 1928 through 1934 were available on an annual basis, while those for the year 1935 and following were available on a quarterly basis.

Net Premium: A $1,000 monthly premium was assumed and the loading schedule was as follows:

	Loading	Net Premium
1st Policy Year	50%	$500
2nd through 10th Policy Year	10%	900
11th and Subsequent Policy Years	5%	950

Development of Accumulation Factors: First, an appreciation factor was determined from the Stock Price Index by taking the index at the end of a particular month and dividing it by the index at the end of the previous month. For the first period the index at the beginning of the first month was used for January, 1928.

1/12 of the yield rate plus 1 was used to determine the increment from dividends. For the years 1928 through 1935 this factor was constant for the entire year. For the year 1935 and subsequent, this factor varied on a quarterly basis and was constant for one-quarter in each case.

The accumulation factor was taken as a product of (.99917) x (1/12 yield rate plus 1) x (appreciation factor).

Market Value Month-End: For any duration, this is the market value at the end of the previous month plus the net premium multiplied by the accumulation factor.

Fund at Month-End: Is the same as market value at month-end.

Accumulated Net Premium: This is the arithmetic sum of the net premiums.

Base for Capital Gains Tax: This is taken as the accumulated net premium.

Capital Gains Tax: The capital gains tax is 25 per cent of the excess of the fund at month-end over the base for capital gains tax. For this particular study the calculation of the capital gains tax is not correct.

Cash Value: The cash value column is the fund at month-end minus the capital gains tax if any.

Excess Cash Value Guarantee: This column represents the excess if any of the accumulated net premium over the cash value.

Purpose of Study: One of the main purposes of this study was to gain further insight into the operation of the monthly accumulation factors. Calculations were made at selected intervals to show the relation of the cash value to the accumulated net premium where there was a cash value guarantee. Information was also gained into the fluctuation of the fund from month to month.

STUDY NUMBER 3

MONTHLY PREMIUM STUDY

Source of material: The month-end closing prices of the Dow-Jones industrial index for the years 1937 through 1961 were used for this study. The quarterly dividends for the Dow-Jones industrial index were also obtained. The exact source of the index figures is difficult to give at this time. Prior to a certain date, a booklet was published giving these figures, and this booklet was used for those years. Following the discontinuance of the publication of this booklet, the Investment Department has maintained a file of clippings from "Barron's" and The Wall Street Journal.

Net premiums: Two separate studies were made by varying the net premium. In the first case, the net premium in all cases was assumed to be $100. In the second case, the monthly premium was assumed to be $1,000 less a loading percentage as follows:

Policy Year	Loading	Net Premium
1st policy year	50%	$500
2nd through 10th policy year	9.5%	$905
11th and subsequent policy year	5%	$950

Accumulation factor: The quarterly dividends referred to in the first paragraph were assumed to be constant throughout the quarter, and, therefore, we approximated the monthly dividend by dividing the quarterly dividend by 3 and rounding to the nearest cent. The accumulation factor was then determined by taking the index for the end of a particular month and adding this monthly dividend and dividing the total by the index at the end of the previous month. For the initial period, January 1937, the index at the beginning of the month was used as the starting figure.

Market value at month end: The market value at the end of the month was determined both on the basis of a 1% and a 0% actuarial margin. The market value at the end of the month is the accumulation factor times the market value at the end of the previous month plus the net premium. For the 1%

actuarial margin studies, the result was multiplied by the factor .99917.

Gross yield rate: This column was not used, and, therefore, the heading has no meaning.

Fund eom/premium: This represents the fund at the end of the month divided by the accumulated net premium.

Cash value/premium: This represents a cash value divided by the accumulated net premium.

Fund at month end: This represents the same as the market value at month end.

Accumulated net premium: This represents the arithmetic sum of the net premiums.

Base for capital gains tax: This represents the same as the accumulated net premium.

Capital gains tax: This represents 25% of the excess of the fund at the end of the month over the accumulated net premiums. As commented on in Study Number 2, this capital gains tax is not correct.

Cash value: This represents the fund at month end minus the capital gains tax, if any.

Excess cash value guarantee: This represents the excess of the accumulated net premium over the fund at month end.

Earl S. Magnuson

SKC

September 27, 1963

	MOODY'S 125 INDUSTRIALS							MOODY'S 24 UTILITIES						
	Mean Price	HI Mo.	HI Market	LO Mo.	LO Market	Inter Year Drop Hi-Lo %	Duration of Drop and %	HI Mo.	HI Market	LO Mo.	LO Market	Inter Year Drop Hi-Lo %	Duration of Drop and %
1960	171.77	6	178.62	10	164.91	7.7	15.9% 1 Yr.-3 Mo.	12	76.82	1	64.67		
1959	185.27	7	196.07	3	174.47			3	68.12	6	64.25	5.7	
1958	153.86	12	177.75	2	129.97			12	66.37	1	53.04		
1957	143.02	7	157.66	12	128.38	18.6	19.3% 1 Yr.-5 Mo.	5	51.85	10	47.15	9.1	9.3% 1 Yr.-3 Mo.
1956	149.55	7	158.98	1	140.11			7	51.98	9	48.42	6.9	
1955	131.25	12	145.67	1	116.83			8	51.43	1	46.94		
1954	98.51	12	115.64	1	81.37			12	47.56	1	40.87		
1953	76.11	1	80.37	8	71.85	10.6		11	39.70	6	36.02		
1952	76.31	12	80.89	4	71.73			12	37.85	4	33.97		
1951	70.61	8	74.46	6	66.75			12	33.85	6	31.70		
1950	58.52	12	64.46	1	52.58			5	33.51	7	29.73	11.3	
1949	47.87	12	52.28	5	43.46			12	30.57	2	26.93		
1948	46.99	6	50.77	2	43.20		22.8% 1 Yr.-9 Mo.	5	28.41	11	25.80	9.2	29.5% 2 Yr.-6 Mo.
1947	45.73	7	47.88	5	43.58			1	32.31	11	25.20	22.0	
1946	49.99	5	55.97	11	44.00	21.4		5	36.62	9	30.93	15.5	
1945	44.33	12	49.30	1	39.35			11	31.62	1	22.35		
1944	36.52	12	38.65	2	34.39			8	21.88	4	20.26		
1943	33.73	6	36.44	1	31.02			12	21.01	1	15.58		
1942	25.87	12	29.05	4	22.69			12	14.29	4	11.41		
1941	28.59	7	30.72	12	26.46	13.9		1	21.90	12	13.45	38.6	
1940	31.46	3	35.61	5	27.30	23.3	54.1% 5 Yr.-2 Mo.	1	28.87	11	22.14	23.3	73.9% 5 Yr.-6 Mo.
1939	34.28	9	37.37	6	31.19			7	29.89	3	25.71		
1938	30.96	12	37.65	3	24.26			10	28.71	3	18.93		
1937	39.38	2	49.41	12	29.34	40.6		1	42.46	12	24.24	43.0	
1936	42.64	11	47.38	4	37.89			10	43.71	4	35.16		
1935	31.00	12	37.66	3	24.35			12	36.06	2	17.90		
1934	26.58	1	29.61	7	23.55	20.5		2	33.44	12	21.06	37.1	
1933	20.29	8	27.85	2	12.73			6	45.79	3	26.70		89.5% 5 Yr.-6 Mo.
1932	14.48	9	18.39	6	10.56			5	24.00	2	45.23		
1931	29.84	2	41.11	12	18.57	54.8	86.5% 2 Yr.-10 Mo.	2	91.34	12	43.23	52.7	
1930	47.22	3	59.62	12	34.81	41.6		4	136.05	12	73.30	46.2	
1929	64.38	8	78.06	11	50.70	35.1		8	169.80	11	96.52	43.2	

1937-1942 119

MARKET STUDY IN RELATION TO THE GUARANTEE OF NET PREMIUM INVESTED UNDER A FLEXIBLE FUND POLICY

1. We have assumed that our worst experience in a declining market will result on the members coming into the program at the high of the market.
2. If we exclude the large and prolonged drop in the markets in the 1929 - 1932 period, a large drop and prolonged drop in the market since that time was over the 1937 - 1942 period and the high of 1937 not being again reached until 1945. It is this period that we used for our study. Because of the only 50% of the gross premium being available for investment in the initial period of the program and 90% thereafter, we started our study one year before the high of our market.

The following is the market action of the 125 Moody's Industrial averages over the period of our study:

		per cent change
1st Period	market increase	40.9%
2nd Period	" (decrease)	(0.9%)
3rd Period	" (decrease)	(23.1%)
4th Period	" increase	5.5%
5th Period	" (decrease)	(6.9%)
6th Period	" (decrease)	(9.6%)
7th Period	" (decrease)	(10.5%)
8th Period	" increase	33.0%
9th Period	" increase	7.0%
10th Period	" increase	20.2%

Market Study

From the high of the market in 1936 to the low reached in 1942 represents a drop of 39.4% over a seven year period.

Over the period of 1935 - 1945 the net increase in the market is one of about 3 3/4% compounded annually and the change in the dividend represents about a 3 5/8% increase compounded annually.

3. For our study we used the 125 Moody's Industrial Common Stock averages both on price and dividends. For our bond yields and markets we used a composite of Moody's AAA-AA-A Utility bonds. Historically the return on utility bonds has always been better than that found on industrial bonds. For the market value of the bonds we assumed a thirty year bond priced at the yield average available at the end of a period.

4. We deducted 1% annual investment expense and profit margin from the market plus income to arrive at the cash value of the fund at the end of any period and also reduced the gross income by this margin before reinvesting the succeeding year.

5. We made our investment at the beginning of a period and included Common Stock commissions. We used the market value at the first of the succeeding period for our valuation of stocks. For income we used the average of the current and next period. We assume purchasing bonds at par.

6. We assume a gross premium of $10,000 annually over ten periods representing a $100,000 total gross premium and net premiums of $86,000 ($5,000 the first period and $9,000 each nine succeeding periods).

Jerry Schwaab
Sept. 1, 1961

	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944
Market Entry	30.09	42.40	42.04	32.35	34.12	31.76	28.70	25.70	34.18	36.57
Market Term Value	42.40	42.04	36.35	34.12	31.76	28.70	25.70	34.18	36.57	43.94
% Market Appreciation or (Depreciation)	40.9%	(0.9)%	(23.1)%	5.5%	(6.9)%	(9.6)%	(10.5)%	33.0%	7.0%	20.2%
Accumulated Net Premium	$5,000	$14,000	$23,000	$32,000	$41,000	$50,000	$59,000	$68,000	$77,000	$86,000

Investment Distribution

	Stocks	Bonds									
Copy A	100%	-	141.98	116.86	87.92	98.34	94.76	90.62	86.92	121.91	131.81	158.62
B	80%	20%	134.23	114.32	91.47	100.80	98.55	95.71	92.90	121.76	130.17	152.35
C	70%	30%	130.36	113.05	93.25	102.03	100.45	98.26	95.89	121.68	129.35	149.21
D	60%	40%	126.50	111.80	95.03	103.26	102.35	100.80	98.87	121.60	128.53	146.09
YY	55%	45%	124.59	111.55	95.92	103.88	103.30	102.10	100.36	121.56	128.13	144.53
E	50%	50%	122.66	110.52	96.80	104.49	104.26	103.35	101.86	121.53	127.72	142.97
ZZ	45%	55%	120.65	109.87	97.67	105.11	105.19	104.65	103.35	121.47	127.30	141.39
F	40%	60%	118.75	109.25	98.58	105.73	106.14	105.93	104.85	121.44	126.90	139.83
G	35%	65%	116.81	108.61	99.47	106.33	107.09	107.16	106.34	121.40	126.47	138.25
M	30%	70%	114.88	107.98	100.36	106.96	108.05	108.44	107.84	121.37	126.08	136.71
a) Bonds Rate			3 7/8%	3 1/2%	3 1/2%	3 3/8%	3 3/8%	3 1/8%	3 1/8%	3 1/4%	3 1/4%	3%

b) Compound Rate of Growth of Stock Market - 3 3/4%

c) Compound Rate of Growth of Dividend on Common 3 5/8

d) Market Change 1936 Hi to 1942 Lo - (39.4%), 7 Yr. Period

e) All Income Reinvested in Stocks

Annual Dividend Rate on Common Stock	1.24	1.71½	1.63	1.19½	1.41	1.75	2.74	1.60½	1.61	1.71½

Moody's 125 Industrial Stocks yearly averages.
Moody's Average Bond Coupons on New Money & Yearly Yield on Outstanding Issues.

Stock Income in Stock
Bond Income in Bonds

	Bonds	Stocks									
WW ✓	55%	45%	149.11	111.15	96.15	104.03	103.63	102.62	101.12	121.19	127.50	139.58
XX	60	40	126.50	111.79	95.29	103.40	102.65	101.29	99.54	121.24	127.95	144.55

		1935	1936	1937	1938	1939	1940	1941	1942	1943	1944
Stock Income in Stock Bond Income in Bonds (cont'd.) Bonds 55% Stocks 45%											
2	a) Assume 5.3% annual decrease 1st 3 yrs. & 10.6% for last 3.	124.59	108.36	105.15	104.55	101.61	100.26	98.79			
3	b) Assume 10.6% drop each year for 1st 3 yrs. & 5.3% last 3.	124.59	105.04	100.28	98.52	100.37	102.10	103.48			
4	c) Assume 8.02% drop each year from Hi to Lo (7 years)	124.59	106.66	102.61	101.39	100.92	101.26	101.09			

The following is the experience developed in our study as reflected by the percent of the cash value of the fund in relation to the net premium at the end of any period.

I. Experience over the ten year period using our above 1 through 6 data and starting with 100% of investment in stocks and changing the allocation of investments between stocks and bonds. We include market gain or loss on the bonds because of the changing position of rates and yields over the period. (See Exhibits A-B-C-D-E-F-G & M.)

II. Experience using the actual percentage change both in price and dividend in the common markets over the 1935-45 period and applying these percentages to the current price and dividend of the 125 Moody's Industrials. (See Item No. 2 of our General Assumption.) The bonds were assumed to have a 4 3/4% coupon and return, therefore there was no bond market gain or loss. This experience can be compared to the 50%-50% allocation in I. above. (See Exhibit H.)

III. Instead of using the actual stock market fluctuations over the 1935-45 period we used a compound annual rate of increase in market of 3 3/4% and an annual compound rate of increase in dividends of 3 5/8% and a 100% stock investment to compare with the 100% stock investment in I. These compound rates of growth give the same net result in rise of prices and dividends as does the change in markets through the periods used. (See Exhibit I.)

IV. In this series we used 125 Moody's Industrial current market and dividends for our starting period and allowed a 5% compound annual rate of growth over the 10 year period in each, with varying assumptions as to the allocation of investments. We used no market gain or loss on bonds since we used a steady yield of 4 3/4% on the bonds through the

period. As we have projected a constant growth in stock prices we would have had to project a decline in bond prices and rise in bond yields which would result in a market valuation reflecting losses rather than gains. The constant bond yield used tends to offset the effect of lowering bond prices and higher investment bond income in projections into the future. This is especially true when we have not allowed for any stock market declines. The results of this study can be compared to the respective allocated investments in I-II & III. (See Exhibits J-K & L.)

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YEAR END CASH VALUE AS A % OF NET PREMIUM

END OF PERIOD	1st Per.	2nd Per.	3rd Per.	4th Per.	5th Per.	6th Per.	7th Per.	8th Per.	9th Per.	10th Per.
ACCUMULATED NET PREMIUM	$ 5,000	$14,000	$23,000	$32,000	$41,000	$50,000	$59,000	$68,000	$77,000	$86,000
I. INVEST. ALLOC.										
100% Stock	141.98%	116.86%	87.92%	98.34%	94.76%	90.62%	86.92%	121.91%	131.81%	158.62%
Bonds / Stock										
20% / 80%	134.23	114.32	91.47	100.80	98.55	95.71	92.90	121.76	130.17	152.35
30% / 70%	130.36	113.05	93.25	102.03	100.45	98.26	95.89	121.68	129.35	149.21
40% / 60%	126.50	111.80	95.03	103.26	102.35	100.80	98.87	121.60	128.53	146.09
50% / 50%	122.66	110.52	96.80	104.49	104.26	103.35	101.86	121.53	127.72	142.97
60% / 40%	118.75	109.25	98.58	105.73	106.14	105.93	104.85	121.44	126.90	139.83
65% / 35%	116.81	108.61	99.47	106.33	107.09	107.16	106.34	121.40	126.47	138.25
70% / 30%	114.88	107.98	100.36	106.96	108.05	108.44	107.84	121.37	126.08	136.71
II. Bonds / Stock										
50% / 50%	123.34	110.69	97.08	103.45	102.09	100.40	99.08	119.24	125.35	141.12
III.										
100% Stock	106.74	109.31	112.79	116.56	120.52	124.67	129.03	133.60	138.40	143.37
IV.										
100% Stock	107.00	109.52	113.09	116.92	120.97	125.26	129.73	134.43	139.34	144.48
Bonds / Stocks										
20% / 80%	106.25	108.55	111.76	115.36	118.96	122.83	126.92	131.17	135.64	140.31
50% / 50%	105.35	107.27	109.97	112.93	116.08	119.35	122.82	126.44	130.23	134.20

	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945
Common Market - Boston	40.9%	(0.9%)	(23.1%)	5.5%	(16.9%)	(9.6%)	(10.5%)	33.0%	7.0%	20.2%

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FLEXIBLE FUND PROJECTION
(1961 - 1971)

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The attached summary shows the results of our study as reflected by the percent of the Cash Value of the fund in relation to the Net Premium at the end of any period. This part of the study projects values for the next ten years, based on various assumptions as outlined in A through I. In all instances, for stock averages and dividends we used Moody's 125 Industrials as a starting point for 1961. On the studies where we used varying bond rates, we showed bond appreciation, but limited that appreciation to the amount of the call premium.

The following assumptions are used for the various series of studies:

A. Today's stock prices and dividends are increased 5% each year. Bonds are invested at 4 3/4% with no appreciation. All income is reinvested in stocks.

B. Market action and dividend action will be the same 1961/1971 as it was 1935/1945. Bonds are invested at 4 3/4% with no appreciation. All income is reinvested in stocks.

C. Same as B except that we go in at the high of the Market rather than one year before as is the case on all other studies.

D. Market action and dividend action will be the same 1961/1971 as it was 1935/1945. Bonds are invested at 4 3/4% with no appreciation. Bond income is reinvested in bonds, stock income in stocks.

E. Market action and dividend action will be the same 1961/1971 as it was 1935/1945. Rate and yield on bonds will follow the same pattern 1961/1971 as 1935/1945. Start with 4 3/4% bond today and show appreciation. Bond income is reinvested in bonds, stock income in stocks.

F. Today's stock prices decline at an average rate each year for ten years. Bond yields are constant with no appreciation. Dividends per share remain the same as today for each year of the ten year period. Bond income is reinvested in bonds, stock income in stocks.

G. Stock prices decline at an average rate (7.89% annually) from the high of the Market to the low rather than following the actual market trend of 1935/1945. Bond rates start at 4 3/4% and decline at an average rate (2.625% annually) rather than following the actual trend of 1935/1945. Bond appreciation is shown. Bond income is reinvested in bonds, stock income in stocks.

H. Same assumptions as G with dividend action the same 1961/1971 as 1935/1945.

I. Market action and dividend action will be the same 1961/1971 as it was 1933/1943. Rate and yield on bonds will follow the same pattern 1961/1971 as 1933/1943. Start with 4 3/4% bonds today and show appreciation. Bond income is reinvested in bonds, stock income in stocks. At the end of 7 and 8 years respectively, the fund is put into 100% stocks.

CASH VALUE AS A % OF NET PREMIUM

Details on Study	Series		Yr. 1	2	3	4	5	6	7	8	9	10
			1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
J	A	100% Stock	107.0	109.5	113.1	116.9	120.9	125.2	129.7	134.4	139.3	144.5
L		80% Stock-20% Bonds	106.3	108.5	111.8	115.3	118.9	122.8	126.9	131.2	135.6	140.3
K		50% Stock-50% Bonds	105.4	107.3	110.0	112.9	116.1	119.3	122.8	126.4	130.2	134.2
16	B	100% Stock	142.6	116.4	88.1	98.5	94.2	89.4	85.4	119.7	128.8	154.4
15		50% Stock-50% Bonds	123.1	110.7	97.1	103.5	102.1	100.4	99.1	119.2	125.4	141.1
14	C	100% Stock		101.1	80.4	94.9	91.9	87.9	84.6	119.1	127.9	153.0
13		50% Stock-50% Bonds		102.1	92.5	100.8	100.0	98.8	97.9	117.9	123.7	139.0
12	D	50% Stock-50% Bonds	123.2	110.7	97.5	103.7	102.5	101.2	100.3	118.5	124.1	138.1
17 & 11		55% Stock-45% Bonds	125.1	111.3	96.5	103.1	101.7	100.0	98.9	118.6	124.6	139.8
36	E	65% Stock-35% Bonds	130.5	113.8	96.0	103.3	101.1	98.6	96.6	119.4	126.0	143.2
37		60% Stock-40% Bonds	128.8	113.5	97.1	104.0	102.1	99.9	98.2	120.0	125.6	141.6
11		55% Stock-45% Bonds	127.1	113.1	98.2	104.7	103.1	101.2	99.8	119.4	125.2	140.0
38		53% Stock-47% Bonds	126.0	112.8	99.1	105.3	103.7	101.9	100.5	119.5	125.2	139.6
10		50% Stock-50% Bonds	125.4	112.7	99.4	105.4	104.1	102.5	101.3	119.3	124.8	138.4
	F	55% Stock-45% Bonds										
20 & 24		5% Bond-6% Ann.St.Decline	99.6	99.5	99.6	99.8	100.1	100.5	101.1	101.7	102.5	103.5
20 & 21		5% Bond-6½% " " "	99.3	99.2	99.2	99.2	99.4	99.8	100.3	100.9	101.7	102.6
20 & 22		5% Bond-7% " " "	99.0	98.8	98.7	98.7	98.9	99.1	99.6	100.2	100.9	101.8
17 & 24		4-3/4% Bond-6% " "	99.4	99.3	99.4	99.5	99.7	100.1	100.6	101.2	101.9	102.7
17 & 21		4-3/4% Bond-6½% " "	99.2	99.1	99.0	99.0	99.1	99.4	99.8	100.4	101.0	101.9
17 & 22		4-3/4% Bond-7% " "	98.9	98.6	98.5	98.4	98.5	98.7	99.1	99.6	100.3	101.1
23 & 24		4½% Bond-6% " " "	99.3	99.2	99.2	99.2	99.4	99.7	100.1	100.6	101.2	102.0
23 & 21		4½% Bond-6½% " " "	99.1	98.7	98.7	98.7	98.7	99.0	99.3	99.8	100.4	101.1
23 & 22		4½% Bond-7% " " "	98.8	98.5	98.2	98.1	98.2	98.3	98.6	99.1	99.6	100.4

Details on Study	Series	Yr. 1	2	3	4	5	6	7	8	9	10
		1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
	G	55% Stock-45% Bonds									
30		Dividend action same 1961/71 as 1935/45	126.8	108.9	105.2	102.7	101.4	101.0	100.7	120.3	126.1	140.9
29		Div. declines @ Aver. Rate	126.8	109.6	105.4	103.4	102.3	101.4	100.3	119.4	125.2	140.0
28		Dividend remains constant	126.8	109.1	104.9	102.9	101.9	101.3	100.5	120.1	125.8	140.7
39		100% Stock (Div. action same as 1935/45-Stock Price same first 2 yrs. then average decline)	101.8	94.6	92.3	89.0	86.4	85.1	83.7	117.6	126.7	152.2
30 & 31	H	55% Stock-45% Bonds	126.8	108.2	105.2	102.7	101.4	101.0	100.7	120.3	126.1	141.0
32		60% Stock-40% Bonds	128.5	108.9	104.6	101.8	100.2	99.6	99.1	120.4	126.5	142.5
34		62½% Stock-37½% Bonds	129.4	108.9	104.4	101.3	99.6	98.9	98.3	120.4	126.7	143.4
33		65% Stock-35% Bonds	130.2	108.8	104.1	100.9	99.0	98.2	97.5	120.4	126.9	144.2
25	I	55% Stock-45% Bonds	113.2	117.5	138.9	129.9	108.7	113.7	110.6	107.0	103.9	123.5
26		To 100% Stock after 7 Yrs.								102.5	95.5	130.8
27		To 100% Stock after 8 Yrs.									99.2	135.3

CASH VALUE AS % OF NET PREMIUMS

	1st Period	2nd Period	3rd Period	4th Period	5th Period	6th Period	7th Period	8th Period	9th Period	10th Period
Current Market-Historical Action										
100% Stock B-16 III	142.6	116.4	88.1	98.5	94.2	89.4	85.4	119.7	128.8	154.4
Average 8.02% Decline in Stock Market-No Rise first 2 Yrs.										
100% Stock B-39 III	101.8	94.6	92.3	89.0	86.4	85.1	83.7	117.6	126.7	152.2
Current Market-Historical Action in Stocks & Bonds. 7.89% Average Annual Drop in Stock Market-2 5/8% Average Annual Drop in Bond Yields. Bond Apprec. ends at Coupon.										
Stocks / Bonds										
65% / 35% H-33	130.2	108.8	104.1	100.9	99.0	98.2	97.5	120.4	126.9	144.2
62½ / 37½ H-34	129.4	108.9	104.4	101.3	99.6	98.9	98.3	120.4	126.7	143.4
60 / 40 H-32	128.5	108.9	104.6	101.8	100.2	99.6	99.1	120.4	126.5	142.6
55 / 45 H-30-31	126.8	108.9	105.2	102.7	101.4	101.0	100.7	120.3	126.1	141.1

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5% Rate on Bonds - 3% Yield on Common

25% Annual Decline in Stock Market	100% Stock AA1	78.7	70.6	64.0	58.1	53.1	48.8	45.2	42.2	39.6	37.4
	75% Stock-25% Bonds AA2	84.1	79.7	75.0	71.0	67.8	65.1	62.9	61.3	60.0	58.9
	55% Stock-45% Bonds AA3	88.9	86.6	83.7	81.3	79.5	78.1	77.1	76.6	76.2	76.1
8% Annual Decline in Stock Market	75% Stock-25% Bonds BB-1	98.7	95.5	94.1	93.1	91.8	90.8	90.0	89.2	88.6	88.0
	60% Stock-40% Bonds BB-2	99.9	97.4	96.8	96.4	95.8	95.4	95.2	95.1	95.0	95.1
3½% Rate Bonds - 8% Decline in Stock Price 4% Increase in Stock Div. CC										
	75% Stock-25% Bonds	99.0	97.0	95.6	95.0	94.7	94.7	95.2	96.1	97.6	99.6

We reviewed the annual Highs and Lows on Moody's 125 Industrial Common Stock prices over the periods 1929 through 1960. The greatest percentage decline for any respective period was determined to have been the following:

							% Decline
1 Year	1937	hi	49.41	1938	lo	24.26	(-50.9)
2 "	1936	hi	47.38	1938	lo	24.26	(-48.8)
3 "	1937	hi	49.41	1940	lo	27.30	(-44.7)
4 "	1937	hi	49.41	1941	lo	26.46	(-46.4)
5 "	1937	hi	49.41	1942	lo	22.69	(-54.1)
6 "	1936	hi	47.38	1942	lo	22.69	(-52.1)
7 "	1935	hi	37.66	1942	lo	22.69	(-39.7)
8 "	1936	hi	47.38	1944	lo	34.39	(-27.4)
9 "	1933	hi	27.85	1942	lo	22.69	(-18.5)
10 "	1937	hi	49.41	1947	lo	43.58	(-11.8)

Applying these percentage drops (averaged for annual basis) we took a 100% stock fund with an annual Net Premium of 50% of Gross Premiums the first year and 90.5% of Gross Premium each year thereafter and determined the cash value of the fund at the end of the respective periods of the market drops and our results were: (See Exhibit X)

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Worst Drop In Averages Over The Period	Cash Value At End Of Period % of Net Premium	Suggested Guarantee %
1 Year	51.6%	50%
2 Year	67.2%	55%
3 Year	74.3%	60%
4 Year	75.3%	65%
5 Year	71.5%	70%
6 Year	74.4%	75%
7 Year	84.2%	80%
8 Year	93.1%	85%
9 Year	99.6%	90%
10 Year		100%

Applying these market drops to a Single Premium fund our results were: (See Exhibit Y)

Worst Drop In Averages Over The Period	Cash Value At End Of Period % of Net Premium	Suggested Guarantee %
1 Year	51.6%	50%
2 Year	55.3%	50%
3 Year	61.2%	50%
4 Year	61.3%	50%
5 Year	55.2%	50%
6 Year	59.1%	60%
7 Year	73.9%	70%
8 Year	88.8%	80%
9 Year	100.1%	90%
10 Year		100%

100% STOCK 132

Exhibit X

Stock Prices Decline at an Average Rate
Dividend is 3% Yield on Book Value

Avg. Annual Decline in Mkt.	Yr.	Accumulated Net Premium	Actuarial Margin 1%	Cash Value of Fund	Cash Value -% Net Premium
Yr. 50.9%	1937	$ 5,000	$ 26.05	$ 2,578.95	51.6%
Yr. 28.45%	1936	5,000	37.27	3,690.23	73.8
	1937	14,050	95.44	9,448.16	67.2
Yr. 17.92%	1937	5,000	42.54	4,211.46	84.2
	1938	14,050	113.12	11,198.59	79.7
	1939	23,100	173.29	17,155.46	74.3
Yr. 14.46%	1937	5,000	44.27	4,382.73	87.7
	1938	14,050	119.12	11,793.24	83.9
	1939	23,100	185.37	18,351.86	79.4
	1940	32,150	244.59	24,213.93	75.3
Yr. 14.42%	1937	5,000	44.29	4,384.71	87.7
	1938	14,050	119.23	11,804.12	84.0
	1939	23,100	185.50	18,364.83	79.5
	1940	32,150	244.55	24,210.02	75.3
	1941	41,200	297.49	29,451.47	71.5
Yr. 11.54%	1936	5,000	45.73	4,527.27	90.5
	1937	14,050	124.36	12,311.65	87.6
	1938	23,100	196.02	19,406.18	84.0
	1939	32,150	261.64	25,901.92	80.6
	1940	41,200	322.00	31,877.85	77.4
	1941	50,250	377.84	37,405.91	74.4
Yr. 6.97%	1935	5,000	48.01	4,753.49	95.1
	1936	14,050	132.69	13,135.89	93.5
	1937	23,100	213.42	21,128.68	91.5
	1938	32,150	290.67	28,776.66	89.5
	1939	41,200	364.77	36,112.25	87.7
	1940	50,250	435.92	43,156.55	85.9
	1941	59,300	504.48	49,943.64	84.2
Yr. 3.92%	1936	5,000	49.54	4,904.46	98.1
	1937	14,050	138.28	13,689.64	97.4
	1938	23,100	225.49	22,323.46	96.6
	1939	32,150	311.29	30,817.96	95.9
	1940	41,200	395.89	39,193.43	95.1
	1941	50,250	479.35	47,455.43	94.4
	1942	59,300	561.74	55,612.35	93.8
	1943	68,350	643.05	63,662.42	93.1
Yr. 2.25%	1933	5,000	50.38	4,987.12	99.7
	1934	14,050	141.45	14,004.02	99.7
	1935	23,100	232.42	23,009.48	99.6
	1936	32,150	323.24	32,001.06	99.5
	1937	41,200	414.08	40,994.37	99.5
	1938	50,250	504.95	49,989.70	99.5
	1939	59,300	596.00	59,004.40	99.5
	1940	68,350	687.14	68,027.15	99.5
	1941	77,400	778.65	77,085.94	99.6

Exhibit Y

100% STOCK 133

Stock Prices Decline at an Average Rate
Dividend is 3% Yield on Book Value

	Avg. Annual Decline	Year	Net Premium	Actuarial Margin 1%	Cash Value of Fund	Cash Value-% Net Premium
1 Yr.	50.9%	1937	$10,000	$52.10	$5,157.90	51.6%
2 Yr.	28.45%	1936	10,000	74.55	7,380.45	73.8
		1937		55.91	5,534.69	55.3
3 Yr.	17.92%	1937	10,000	85.08	8,422.92	84.2
		1938		72.19	7,146.42	71.5
		1939		61.81	6,119.00	61.2
4 Yr.	14.40%	1937	10,000	88.54	8,765.46	87.7
		1938		78.06	7,728.21	77.3
		1939		69.23	6,853.46	68.5
		1940		61.90	6,127.81	61.3
5 Yr.	14.42%	1937	10,000	88.58	8,769.42	87.7
		1938		78.13	7,735.31	77.4
		1939		69.32	6,862.97	68.6
		1940		61.94	6,132.15	61.3
		1941		55.75	5,518.88	55.2
6 Yr.	11.54%	1936	10,000	91.46	9,054.54	90.5
		1937		83.19	8,235.87	82.4
		1938		76.02	7,525.80	75.3
		1939		69.76	6,906.00	69.1
		1940		64.37	6,372.45	63.7
		1941		59.73	5,913.56	59.1
7 Yr.	6.97%	1935	10,000	96.03	9,506.97	95.1
		1936		91.52	9,060.01	90.6
		1937		87.43	8,655.57	86.6
		1938		83.72	8,288.42	82.8
		1939		80.34	7,953.75	79.5
		1940		77.31	7,653.55	76.5
		1941		74.63	7,388.25	73.9
8 Yr.	3.92%	1936	10,000	99.08	9,808.92	98.1
		1937		97.31	9,633.57	96.3
		1938		95.80	9,484.60	94.8
		1939		94.28	9,333.45	93.3
		1940		92.90	9,197.39	92.0
		1941		91.66	9,074.36	90.7
		1942		90.62	8,971.03	89.7
		1943		89.65	8,875.17	88.8
9 Yr.	2.25%	1933	10,000	100.75	9,974.25	99.7
		1934		100.52	9,951.56	99.5
		1935		100.44	9,943.98	99.4
		1936		100.42	9,941.52	99.4
		1937		100.44	9,943.92	99.4
		1938		100.50	9,949.81	99.5
		1939		100.69	9,968.47	99.7
		1940		100.90	9,989.73	99.9
		1941		101.17	10,015.73	100.1